

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
SENATE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 960**  
**92ND GENERAL ASSEMBLY**

Reported from the Committee on Tax Policy April 28, 2004, with recommendation that the House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 960 Do Pass.

STEPHEN S. DAVIS, Chief Clerk

2757L.06C

**AN ACT**

To repeal sections 137.073 and 137.115, RSMo, and to enact in lieu thereof four new sections relating to property tax reassessment, with an effective date for a certain section.

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

Section A. Sections 137.073 and 137.115, are repealed and four new sections enacted in lieu thereof, to be known as sections 67.506, 137.073, 137.115, and 1, to read as follows:

**67.506. The tax rate for counties levying a sales tax under section 67.505 shall be computed by:**

**(1) Dividing the amount of the sales tax revenue required for reduction under subsection 3 of section 67.505 and section 163.087, RSMo, by the total assessed valuation of the county and multiplying by one hundred to determine the amount of property tax reduction; and**

**(2) Subtracting the property tax rate reduction in subdivision (1) of this section from the tax rate ceiling for each class of property or subclass of real property.**

137.073. 1. As used in this section, the following terms mean:

(1) "General reassessment", changes in value, entered in the assessor's books, of a substantial portion of the parcels of real property within a county resulting wholly or partly from reappraisal of value or other actions of the assessor or county equalization body or ordered by the state tax commission or any court;

**EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.**

6 (2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for each  
7 purpose of taxation of property a taxing authority is authorized to levy without a vote and any  
8 tax rate authorized by election, including bond interest and sinking fund;

9 (3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the  
10 provisions of this section or when a court has determined the tax rate; except that, other  
11 provisions of law to the contrary notwithstanding, a school district may levy the operating levy  
12 for school purposes required for the current year pursuant to subsection 2 of section 163.021,  
13 RSMo, less all adjustments required pursuant to article X, section 22 of the Missouri  
14 Constitution, if such tax rate does not exceed the highest tax rate in effect subsequent to the 1980  
15 tax year. This is the maximum tax rate that may be levied, unless a higher tax rate ceiling is  
16 approved by voters of the political subdivision as provided in this section;

17 (4) "Tax revenue", when referring to the previous year, means the actual receipts from  
18 ad valorem levies on all classes of property, including state-assessed property, in the immediately  
19 preceding fiscal year of the political subdivision, plus an allowance for taxes billed but not  
20 collected in the fiscal year and plus an additional allowance for the revenue which would have  
21 been collected from property which was annexed by such political subdivision but which was  
22 not previously used in determining tax revenue pursuant to this section. The term "tax revenue"  
23 shall not include any receipts from ad valorem levies on any property of a railroad corporation  
24 or a public utility, as these terms are defined in section 386.020, RSMo, which were assessed by  
25 the assessor of a county or city in the previous year but are assessed by the state tax commission  
26 in the current year. All school districts and those counties levying sales taxes pursuant to chapter  
27 67, RSMo, shall include in the calculation of tax revenue an amount equivalent to that by which  
28 they reduced property tax levies as a result of sales tax pursuant to section 67.505, RSMo, and  
29 section 164.013, RSMo, in the immediately preceding fiscal year but not including any amount  
30 calculated to adjust for prior years. For purposes of political subdivisions which were authorized  
31 to levy a tax in the prior year but which did not levy such tax or levied a reduced rate, the term  
32 "tax revenue", as used in relation to the revision of tax levies mandated by law, shall mean the  
33 revenues equal to the amount that would have been available if the voluntary rate reduction had  
34 not been made.

35 2. Whenever changes in assessed valuation are entered in the assessor's books for any  
36 personal property, in the aggregate, or for any subclass of real property as such subclasses are  
37 established in section 4(b) of article X of the Missouri Constitution and defined in section  
38 137.016, the county clerk in all counties and the assessor of St. Louis City shall notify each  
39 political subdivision wholly or partially within the county or St. Louis City of the change in  
40 valuation of each subclass of real property, individually, and personal property, in the aggregate,  
41 exclusive of new construction and improvements. All political subdivisions shall immediately

42 revise the applicable rates of levy for each purpose for each subclass of real property,  
43 individually, and personal property, in the aggregate, for which taxes are levied to the extent  
44 necessary to produce from all taxable property, exclusive of new construction and improvements,  
45 substantially the same amount of tax revenue as was produced in the previous year for each  
46 subclass of real property, individually, and personal property, in the aggregate, except that the  
47 rate may not exceed the greater of the rate in effect in the 1984 tax year or the most recent  
48 voter-approved rate. Such tax revenue shall not include any receipts from ad valorem levies on  
49 any real property which was assessed by the assessor of a county or city in such previous year  
50 but is assessed by the assessor of a county or city in the current year in a different subclass of real  
51 property. Where the taxing authority is a school district for the purposes of revising the  
52 applicable rates of levy for each subclass of real property, the tax revenues from state-assessed  
53 railroad and utility property shall be apportioned and attributed to each subclass of real property  
54 based on the percentage of the total assessed valuation of the county that each subclass of real  
55 property represents in the current taxable year. As provided in section 22 of article X of the  
56 constitution, a political subdivision may also revise each levy to allow for inflationary  
57 assessment growth occurring within the political subdivision. The inflationary growth factor **for**  
58 **any such subclass or real property or personal property** shall be limited to the actual  
59 assessment growth in [the aggregate for the political subdivision] **such subclass or class,**  
60 **exclusive of new construction and improvements, and exclusive of the assessed value on any**  
61 **real property which was assessed by the assessor of a county or city in the current year in**  
62 **a different subclass of real property,** but not to exceed the consumer price index or five  
63 percent, whichever is lower. Should the tax revenue of a political subdivision from the various  
64 tax rates determined in this subsection be different than the tax revenue that would have been  
65 determined from a single tax rate as calculated pursuant to the method of calculation in this  
66 subsection prior to January 1, 2003, then the political subdivision shall revise the tax rates of  
67 those subclasses of real property, individually, and/or personal property, in the aggregate, in  
68 which there is a tax rate reduction, pursuant to the provisions of this subsection. Such revision  
69 shall yield an amount equal to such difference and shall be apportioned among such subclasses  
70 of real property, individually, and/or personal property, in the aggregate, [as per the relative tax  
71 rate reduction of such subclasses of real property, individually, and/or personal property, in the  
72 aggregate] **based on the relative assessed valuation of the class or subclasses of property**  
73 **experiencing a tax rate reduction. Such revision in the tax rates of each class or subclass**  
74 **shall be made by computing the percentage of current year adjusted assessed valuation of**  
75 **each class or subclass with a tax rate reduction to the total current year adjusted assessed**  
76 **valuation of the class or subclasses with a tax rate reduction, multiplying the resulting**  
77 **percentages by the revenue difference between the single rate calculation and the**

78 **calculations pursuant to this subsection and dividing by the respective adjusted current**  
79 **year assessed valuation of each class or subclass to determine the adjustment to the rate**  
80 **to be levied upon each class or subclass of property. The adjustment computed herein shall**  
81 **be multiplied by one hundred, rounded to four decimals in the manner provided in this**  
82 **subsection, and added to the initial rate computed for each class or subclass of property.**  
83 **Notwithstanding any provision of this subsection to the contrary, no revision to the rate of**  
84 **levy for personal property shall cause such levy to increase over the levy for personal**  
85 **property from the prior year.**

86 3. (1) Where the taxing authority is a school district, it shall be required to revise the  
87 rates of levy to the extent necessary to produce from all taxable property, including state-assessed  
88 railroad and utility property, which shall be separately estimated in addition to other data  
89 required in complying with section 164.011, RSMo, substantially the amount of tax revenue  
90 permitted in this section. In the year following tax rate reduction, the tax rate ceiling may be  
91 adjusted to offset such district's reduction in the apportionment of state school moneys due to its  
92 reduced tax rate. However, in the event any school district, in calculating a tax rate ceiling  
93 pursuant to this section, requiring the estimating of effects of state-assessed railroad and utility  
94 valuation or loss of state aid, discovers that the estimates used result in receipt of excess  
95 revenues, which would have required a lower rate if the actual information had been known, the  
96 school district shall reduce the tax rate ceiling in the following year to compensate for the excess  
97 receipts, and the recalculated rate shall become the tax rate ceiling for purposes of this section.

98 (2) For any political subdivision which experiences a reduction in the amount of assessed  
99 valuation relating to a prior year, due to decisions of the state tax commission or a court pursuant  
100 to sections 138.430 to 138.433, RSMo, or due to clerical errors or corrections in the calculation  
101 or recordation of any assessed valuation:

102 (a) Such political subdivision may revise the tax rate ceiling for each purpose it levies  
103 taxes to compensate for the reduction in assessed value occurring after the political subdivision  
104 calculated the tax rate ceiling for the particular subclass of real property or for personal property,  
105 in the aggregate, in the prior year. Such revision by the political subdivision shall be made at the  
106 time of the next calculation of the tax rate for the particular subclass of real property or for  
107 personal property, in the aggregate, after the reduction in assessed valuation has been determined  
108 and shall be calculated in a manner that results in the revised tax rate ceiling being the same as  
109 it would have been had the corrected or finalized assessment been available at the time of the  
110 prior calculation;

111 (b) In addition, for up to three years following the determination of the reduction in  
112 assessed valuation as a result of circumstances defined in this subdivision, such political  
113 subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate ceiling

provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to receive for the three-year period preceding such determination.

4. (1) In order to implement the provisions of this section and section 22 of article X of the Constitution of Missouri, the term "improvements" shall apply to both real and personal property. In order to determine the value of new construction and improvements, each county assessor shall maintain a record of real property valuations in such a manner as to identify each year the increase in valuation for each political subdivision in the county as a result of new construction and improvements. The value of new construction and improvements shall include the additional assessed value of all improvements or additions to real property which were begun after and were not part of the prior year's assessment, except that the additional assessed value of all improvements or additions to real property which had been totally or partially exempt from ad valorem taxes pursuant to sections 99.800 to 99.865, RSMo, sections 135.200 to 135.255, RSMo, and section 353.110, RSMo, shall be included in the value of new construction and improvements when the property becomes totally or partially subject to assessment and payment of all ad valorem taxes. The aggregate increase in valuation of personal property for the current year over that of the previous year is the equivalent of the new construction and improvements factor for personal property. **Notwithstanding any opt-out implemented pursuant to subsection 15 of section 137.115,** the assessor shall certify the amount of new construction and improvements **and the amount of assessed value on any real property which was assessed by the assessor of a county or city in such previous year but is assessed by the assessor of a county or city in the current year in a different subclass of real property separately for each of the three subclasses of real property** for each political subdivision to the county clerk in order that political subdivisions shall have this information for the purpose of calculating tax rates pursuant to this section and section 22, article X, Constitution of Missouri. In addition, the state tax commission shall certify each year to each county clerk the increase in the general price level as measured by the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency. The state tax commission shall certify the increase in such index on the latest twelve-month basis available on June first of each year over the immediately preceding prior twelve-month period in order that political subdivisions shall have this information available in setting their tax rates according to law and section 22 of article X of the Constitution of Missouri. For purposes of implementing the provisions of this section and section 22 of article X of the Missouri Constitution, the term "property" means all taxable property, including state assessed property.

(2) Each political subdivision required to revise rates of levy pursuant to this section or section 22 of article X of the Constitution of Missouri shall calculate each tax rate it is authorized

to levy and, in establishing each tax rate, shall consider each provision for tax rate revision provided in this section and section 22 of article X of the Constitution of Missouri, separately and without regard to annual tax rate reductions provided in section 67.505, RSMo, and section 164.013, RSMo. Each political subdivision shall set each tax rate it is authorized to levy using the calculation that produces the lowest tax rate ceiling. It is further the intent of the general assembly, pursuant to the authority of section 10(c) of article X of the Constitution of Missouri, that the provisions of such section be applicable to tax rate revisions mandated pursuant to section 22 of article X of the Constitution of Missouri as to reestablishing tax rates as revised in subsequent years, enforcement provisions, and other provisions not in conflict with section 22 of article X of the Constitution of Missouri. Annual tax rate reductions provided in section 67.505, RSMo, and section 164.013, RSMo, shall be applied to the tax rate as established pursuant to this section and section 22 of article X of the Constitution of Missouri, unless otherwise provided by law.

5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this section shall not be increased unless approved by a vote of the people. Approval of the higher tax rate shall be by at least a majority of votes cast. When a proposed higher tax rate requires approval by more than a simple majority pursuant to any provision of law or the constitution, the tax rate increase must receive approval by at least the majority required.

(2) When voters approve an increase in the tax rate, the amount of the increase shall be added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate does not exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate for approval rather than describing the amount of increase in the question, the stated tax rate approved shall be the current tax rate ceiling. The increased tax rate ceiling as approved may be applied to the total assessed valuation of the political subdivision at the setting of the next tax rate.

(3) The governing body of any political subdivision may levy a tax rate lower than its tax rate ceiling and may increase that lowered tax rate to a level not exceeding the tax rate ceiling without voter approval.

[(4) In a year of general reassessment, a governing body whose tax rate is lower than its tax rate ceiling shall revise its tax rate pursuant to the provisions of subsection 4 of this section as if its tax rate were at the tax rate ceiling. In a year following general reassessment, if such governing body intends to increase its tax rate, the governing body shall conduct a public hearing, and in a public meeting it shall adopt an ordinance, resolution or policy statement justifying its action prior to setting and certifying its tax rate. The provisions of this subdivision shall not apply to a taxing jurisdiction which receives some portion of its funding pursuant to chapter 163, RSMo.]

186           6. (1) For the purposes of calculating state aid for public schools pursuant to section  
187 163.031, RSMo, each taxing authority which is a school district shall determine its proposed tax  
188 rate as a blended rate of the classes or subclasses of property. Such blended rate shall be  
189 calculated by first determining the total tax revenue of the property within the jurisdiction of the  
190 taxing authority, which amount shall be equal to the sum of the products of multiplying the  
191 assessed valuation of each class and subclass of property by the corresponding tax rate for such  
192 class or subclass, then dividing the total tax revenue by the total assessed valuation of the same  
193 jurisdiction, and then multiplying the resulting quotient by a factor of one-hundred. Where the  
194 taxing authority is a school district, such blended rate shall also be used by such school district  
195 for calculating revenue from state-assessed railroad and utility property as defined in chapter 151,  
196 RSMo, and for apportioning the tax rate by purpose.

197           (2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk  
198 of the county commission in the county or counties where the tax rate applies of its tax rate  
199 ceiling and its proposed tax rate. Each taxing authority shall express its proposed tax rate in a  
200 fraction equal to the nearest one-tenth of a cent, unless its proposed tax rate is in excess of one  
201 dollar, then one/one-hundredth of a cent. If a taxing authority shall round to one/one-hundredth  
202 of a cent, it shall round up a fraction greater than or equal to five/one-thousandth of one cent to  
203 the next higher one/one-hundredth of a cent; if a taxing authority shall round to one-tenth of a  
204 cent, it shall round up a fraction greater than or equal to five/one-hundredths of a cent to the next  
205 higher one-tenth of a cent. Any taxing authority levying a property tax rate shall provide data,  
206 in such form as shall be prescribed by the state auditor by rule, substantiating such tax rate  
207 complies with Missouri law. **All forms for the calculation of rates pursuant to this section**  
208 **shall be promulgated as a rule and shall not be incorporated by reference. Within thirty**  
209 **days after the effective date of this act, the state auditor shall promulgate rules for any and**  
210 **all forms for the calculation of rates pursuant to this section which do not currently exist**  
211 **in rule form or that have been incorporated by reference.** In addition, each taxing authority  
212 proposing to levy a tax rate for debt service shall provide data, in such form as shall be  
213 prescribed by the state auditor by rule, substantiating the tax rate for debt service complies with  
214 Missouri law. A tax rate proposed for annual debt service requirements will be prima facie valid  
215 if, after making the payment for which the tax was levied, bonds remain outstanding and the debt  
216 fund reserves do not exceed the following year's payments. The county clerk shall keep on file  
217 and available for public inspection all such information for a period of three years. The clerk  
218 shall, within three days of receipt, forward a copy of the notice of a taxing authority's tax rate  
219 ceiling and proposed tax rate and any substantiating data to the state auditor. The state auditor  
220 shall, within fifteen days of the date of receipt, examine such information and return to the  
221 county clerk his or her findings as to compliance of the tax rate ceiling with this section and as

to compliance of any proposed tax rate for debt service with Missouri law. If the state auditor believes that a taxing authority's proposed tax rate does not comply with Missouri law, then the state auditor's findings shall include a recalculated tax rate, and the state auditor may request a taxing authority to submit documentation supporting such taxing authority's proposed tax rate. The county clerk shall immediately forward a copy of the auditor's findings to the taxing authority and shall file a copy of the findings with the information received from the taxing authority. The taxing authority shall have fifteen days from the date of receipt from the county clerk of the state auditor's findings and any request for supporting documentation to accept or reject in writing the rate change certified by the state auditor and to submit all requested information to the state auditor. A copy of the taxing authority's acceptance or rejection and any information submitted to the state auditor shall also be mailed to the county clerk. If a taxing authority rejects a rate change certified by the state auditor and the state auditor does not receive supporting information which justifies the taxing authority's original or any subsequent proposed tax rate, then the state auditor shall refer the perceived violations of such taxing authority to the attorney general's office and the attorney general is authorized to obtain injunctive relief to prevent the taxing authority from levying a violative tax rate.

7. No tax rate shall be extended on the tax rolls by the county clerk unless the political subdivision has complied with the foregoing provisions of this section.

8. Whenever a taxpayer has cause to believe that a taxing authority has not complied with the provisions of this section, the taxpayer may make a formal complaint with the prosecuting attorney of the county. Where the prosecuting attorney fails to bring an action within ten days of the filing of the complaint, the taxpayer may bring a civil action pursuant to this section and institute an action as representative of a class of all taxpayers within a taxing authority if the class is so numerous that joinder of all members is impracticable, if there are questions of law or fact common to the class, if the claims or defenses of the representative parties are typical of the claims or defenses of the class, and if the representative parties will fairly and adequately protect the interests of the class. In any class action maintained pursuant to this section, the court may direct to the members of the class a notice to be published at least once each week for four consecutive weeks in a newspaper of general circulation published in the county where the civil action is commenced and in other counties within the jurisdiction of a taxing authority. The notice shall advise each member that the court will exclude him or her from the class if he or she so requests by a specified date, that the judgment, whether favorable or not, will include all members who do not request exclusion, and that any member who does not request exclusion may, if he or she desires, enter an appearance. In any class action brought pursuant to this section, the court, in addition to the relief requested, shall assess against the taxing authority found to be in violation of this section the reasonable costs of bringing the

258 action, including reasonable attorney's fees, provided no attorney's fees shall be awarded any  
259 attorney or association of attorneys who receive public funds from any source for their services.  
260 Any action brought pursuant to this section shall be set for hearing as soon as practicable after  
261 the cause is at issue.

262 9. If in any action, including a class action, the court issues an order requiring a taxing  
263 authority to revise the tax rates as provided in this section or enjoins a taxing authority from the  
264 collection of a tax because of its failure to revise the rate of levy as provided in this section, any  
265 taxpayer paying his or her taxes when an improper rate is applied has erroneously paid his or her  
266 taxes in part, whether or not the taxes are paid under protest as provided in section 139.031,  
267 RSMo. The part of the taxes paid erroneously is the difference in the amount produced by the  
268 original levy and the amount produced by the revised levy. The township or county collector of  
269 taxes or the collector of taxes in any city shall refund the amount of the tax erroneously paid.  
270 The taxing authority refusing to revise the rate of levy as provided in this section shall make  
271 available to the collector all funds necessary to make refunds pursuant to this subsection. No  
272 taxpayer shall receive any interest on any money erroneously paid by him or her pursuant to this  
273 subsection. Effective in the 1994 tax year, nothing in this section shall be construed to require  
274 a taxing authority to refund any tax erroneously paid prior to or during the third tax year  
275 preceding the current tax year.

276 10. A taxing authority, including but not limited to a township, county collector, or  
277 collector of taxes, responsible for determining and collecting the amount of residential real  
278 property tax levied in its jurisdiction, shall report such amount of tax collected by December  
279 thirty-first of each year such property is assessed to the state tax commission. The state tax  
280 commission shall compile the tax data by county or taxing jurisdiction and submit a report to the  
281 general assembly no later than January thirty-first of the following year.

282 **11. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,**  
283 **that is created under the authority delegated in this section shall become effective only if**  
284 **it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if**  
285 **applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable**  
286 **and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,**  
287 **to review, to delay the effective date, or to disapprove and annul a rule are subsequently**  
288 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**  
289 **adopted after August 28, 2004, shall be invalid and void.**

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

5 all personal property at thirty-three and one-third percent of its true value in money as of January  
6 first of each calendar year. The assessor shall annually assess all real property, including any  
7 new construction and improvements to real property, and possessory interests in real property  
8 at the percent of its true value in money set in subsection 5 of this section. The assessor shall  
9 annually assess all real property in the following manner: new assessed values shall be  
10 determined as of January first of each odd-numbered year and shall be entered in the assessor's  
11 books; those same assessed values shall apply in the following even-numbered year, except for  
12 new construction and property improvements which shall be valued as though they had been  
13 completed as of January first of the preceding odd-numbered year. The assessor may call at the  
14 office, place of doing business, or residence of each person required by this chapter to list  
15 property, and require the person to make a correct statement of all taxable tangible personal  
16 property owned by the person or under his or her care, charge or management, taxable in the  
17 county. On or before January first of each even-numbered year, the assessor shall prepare and  
18 submit a two-year assessment maintenance plan to the county governing body and the state tax  
19 commission for their respective approval or modification. The county governing body shall  
20 approve and forward such plan or its alternative to the plan to the state tax commission by  
21 February first. If the county governing body fails to forward the plan or its alternative to the plan  
22 to the state tax commission by February first, the assessor's plan shall be considered approved  
23 by the county governing body. If the state tax commission fails to approve a plan and if the state  
24 tax commission and the assessor and the governing body of the county involved are unable to  
25 resolve the differences, in order to receive state cost-share funds outlined in section 137.750, the  
26 county or the assessor shall petition the administrative hearing commission, by May first, to  
27 decide all matters in dispute regarding the assessment maintenance plan. Upon agreement of the  
28 parties, the matter may be stayed while the parties proceed with mediation or arbitration upon  
29 terms agreed to by the parties. The final decision of the administrative hearing commission shall  
30 be subject to judicial review in the circuit court of the county involved. In the event a valuation  
31 of subclass (1) real property within any county with a charter form of government, or within a  
32 city not within a county, is made by a computer, computer-assisted method or a computer  
33 program, the burden of proof, supported by clear, convincing and cogent evidence to sustain such  
34 valuation, shall be on the assessor at any hearing or appeal. In any such county, unless the  
35 assessor proves otherwise, there shall be a presumption that the assessment was made by a  
36 computer, computer-assisted method or a computer program. Such evidence shall include, but  
37 shall not be limited to, the following:

- 38 (1) The findings of the assessor based on an appraisal of the property by generally  
39 accepted appraisal techniques; and  
40 (2) The purchase prices from sales of at least three comparable properties and the address

41 or location thereof. As used in this paragraph, the word "comparable" means that:

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

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

48 2. Assessors in each county of this state and the city of St. Louis may send personal  
49 property assessment forms through the mail.

50 3. The following items of personal property shall each constitute separate subclasses of  
51 tangible personal property and shall be assessed and valued for the purposes of taxation at the  
52 following percents of their true value in money:

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

55 (2) Livestock, twelve percent;

56 (3) Farm machinery, twelve percent;

57 (4) Motor vehicles which are eligible for registration as and are registered as historic  
58 motor vehicles pursuant to section 301.131, RSMo, and aircraft which are at least twenty-five  
59 years old and which are used solely for noncommercial purposes and are operated less than fifty  
60 hours per year or aircraft that are home built from a kit, five percent;

61 (5) Poultry, twelve percent; and

62 (6) Tools and equipment used for pollution control and tools and equipment used in  
63 retooling for the purpose of introducing new product lines or used for making improvements to  
64 existing products by any company which is located in a state enterprise zone and which is  
65 identified by any standard industrial classification number cited in subdivision (6) of section  
66 135.200, RSMo, twenty-five percent.

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

71 5. All subclasses of real property, as such subclasses are established in section 4(b) of  
72 article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the  
73 following percentages of true value:

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

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

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

77           6. Manufactured homes, as defined in section 700.010, RSMo, which are actually used  
78 as dwelling units shall be assessed at the same percentage of true value as residential real  
79 property for the purpose of taxation. The percentage of assessment of true value for such  
80 manufactured homes shall be the same as for residential real property. If the county collector  
81 cannot identify or find the manufactured home when attempting to attach the manufactured home  
82 for payment of taxes owed by the manufactured home owner, the county collector may request  
83 the county commission to have the manufactured home removed from the tax books, and such  
84 request shall be granted within thirty days after the request is made; however, the removal from  
85 the tax books does not remove the tax lien on the manufactured home if it is later identified or  
86 found. A manufactured home located in a manufactured home rental park, rental community or  
87 on real estate not owned by the manufactured home owner shall be considered personal property.  
88 A manufactured home located on real estate owned by the manufactured home owner may be  
89 considered real property.

90           7. Each manufactured home assessed shall be considered a parcel for the purpose of  
91 reimbursement pursuant to section 137.750, unless the manufactured home has been converted  
92 to real property in compliance with section 700.111, RSMo, and assessed as a realty  
93 improvement to the existing real estate parcel.

94           8. Any amount of tax due and owing based on the assessment of a manufactured home  
95 shall be included on the personal property tax statement of the manufactured home owner unless  
96 the manufactured home has been converted to real property in compliance with section 700.111,  
97 RSMo, in which case the amount of tax due and owing on the assessment of the manufactured  
98 home as a realty improvement to the existing real estate parcel shall be included on the real  
99 property tax statement of the real estate owner.

100           9. The assessor of each county and each city not within a county shall use the trade-in  
101 value published in the October issue of the National Automobile Dealers' Association Official  
102 Used Car Guide, or its successor publication, as the recommended guide of information for  
103 determining the true value of motor vehicles described in such publication. In the absence of a  
104 listing for a particular motor vehicle in such publication, the assessor shall use such information  
105 or publications which in the assessor's judgment will fairly estimate the true value in money of  
106 the motor vehicle.

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

111           11. If a physical inspection is required, pursuant to subsection 10 of this section, the  
112 assessor shall notify the property owner of that fact in writing and shall provide the owner clear

written notice of the owner's rights relating to the physical inspection. If a physical inspection is required, the property owner may request that an interior inspection be performed during the physical inspection. The owner shall have no less than thirty days to notify the assessor of a request for an interior physical inspection.

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

13. The provisions of subsections 11 and 12 of this section shall only apply in any county with a charter form of government with more than one million inhabitants.

14. A county or city collector may accept credit cards as proper form of payment of outstanding property tax due. No county or city collector may charge surcharge for payment by credit card which exceeds the fee or surcharge charged by the credit card bank for its service.

15. The provisions of this section and sections 137.073, 138.060 and 138.100, RSMo, **as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session**, shall become effective January 1, 2003, for any taxing jurisdiction [which has at least seventy-five percent of the land area of such jurisdiction] within a county with a charter form of government with greater than one million inhabitants, and the provisions of this section and sections 137.073, 138.060 and 138.100, RSMo, **as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session**, shall become effective [January 1, 2005] **October 1, 2004**, for all taxing jurisdictions in this state. Any county or city not within a county in this state may, by an affirmative vote of the governing body of such county, opt [into] out of the provisions of this [act] section and sections 137.073, 138.060, and 138.100, RSMo, **as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by this act, for the next year of the general reassessment**, prior to January [1, 2005] **first of any year**. No county or city not within a county shall exercise this opt-out provision after implementing the provisions of this section and sections 137.073, 138.060, and 138.100, RSMo, **as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by this act, in a year of general reassessment**. For the purposes of applying the provisions of this subsection, a political subdivision contained within two or more counties where at least one of such counties has opted out and at least one of such counties has not opted out shall calculate the separate rates for the three subclasses of real property and the aggregate class

149 of personal property as required by section 137.073, provided that such political  
150 subdivision shall also provide a single blended rate, in accordance with the procedure for  
151 determining a blended rate for school districts in subdivision (1) of subsection 6 of section  
152 137.073. Such blended rate shall be used for the portion of such political subdivision that  
153 is situated within any county that has opted out. A governing body of a city not within a  
154 county or a county that has opted out under the provisions of this subsection, may choose  
155 to implement the provisions of this section and sections 137.073, 138.060, and 138.100,  
156 RSMo, as enacted by house bill no. 1150 of the ninety-first general assembly, second  
157 regular session and section 137.073 as modified by this act, for the next year of general  
158 reassessment, by an affirmative vote of the governing body prior to December thirty-first  
159 of any year.

Section 1. Section 137.106, RSMo, shall apply to all tax years beginning on or after  
2 January 1, 2005.

Section B. Section 1 of section A of this act shall become effective upon the passage and  
2 approval of conference committee substitute for house substitute for house committee substitute  
3 for senate substitute for senate committee substitute for senate bill no. 730.