

FIRST REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]  
HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 461

## 93RD GENERAL ASSEMBLY

0735L.06T

2005

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### AN ACT

To repeal sections 53.260, 135.010, 137.073, 137.078, 137.100, and 137.106, RSMo, and to enact in lieu thereof eight new sections relating to assessment of personal property.

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

Section A. Sections 53.260, 135.010, 137.073, 137.078, 137.100, and 137.106, RSMo, are repealed and eight new sections enacted in lieu thereof, to be known as sections 53.260, 135.010, 137.073, 137.078, 137.079, 137.100, 137.106, and 137.122, to read as follows:

53.260. **Subject to appropriation**, expenses incurred by the assessor or assessor-elect in attending courses of study and additional courses referred to in sections 53.250 to 53.265 shall be paid by the state. Fees for registration, books and materials may be directly billed to the state as provided by the commissioner of administration. The cost of transportation, lodging and meals shall be reimbursed to the assessor or assessor-elect in the manner provided by the commissioner of administration.

135.010. As used in sections 135.010 to 135.030 the following words and terms mean:

(1) "Claimant", a person or persons claiming a credit under sections 135.010 to 135.030. If the persons are eligible to file a joint federal income tax return and reside at the same address at any time during the taxable year, then the credit may only be allowed if claimed on a combined Missouri income tax return or a combined claim return reporting their combined incomes and property taxes. A claimant shall not be allowed a property tax credit unless the claimant or spouse has attained the age of sixty-five on or before the last day of the calendar year and the claimant or spouse was a resident of Missouri for the entire year, or the claimant or spouse is a veteran of any branch of the armed forces of the United States or this state who became one

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.

10 hundred percent disabled as a result of such service, or the claimant or spouse is disabled as  
11 defined in subdivision (2) of this section, and such claimant or spouse provides proof of such  
12 disability in such form and manner, and at such times, as the director of revenue may require, or  
13 if the claimant has reached the age of sixty on or before the last day of the calendar year and such  
14 claimant received surviving spouse Social Security benefits during the calendar year and the  
15 claimant provides proof, as required by the director of revenue, that the claimant received  
16 surviving spouse Social Security benefits during the calendar year for which the credit will be  
17 claimed. **A claimant shall not be allowed a property tax credit if the claimant filed a valid**  
18 **claim for a credit under section 137.106 in the year following the year for which the**  
19 **property tax credit is claimed.** The residency requirement shall be deemed to have been  
20 fulfilled for the purpose of determining the eligibility of a surviving spouse for a property tax  
21 credit if a person of the age of sixty-five years or older who would have otherwise met the  
22 requirements for a property tax credit dies before the last day of the calendar year. The residency  
23 requirement shall also be deemed to have been fulfilled for the purpose of determining the  
24 eligibility of a claimant who would have otherwise met the requirements for a property tax credit  
25 but who dies before the last day of the calendar year;

26 (2) "Disabled", the inability to engage in any substantial gainful activity by reason of any  
27 medically determinable physical or mental impairment which can be expected to result in death  
28 or which has lasted or can be expected to last for a continuous period of not less than twelve  
29 months. A claimant shall not be required to be gainfully employed prior to such disability to  
30 qualify for a property tax credit;

31 (3) "Gross rent", amount paid by a claimant to a landlord for the rental, at arm's length,  
32 of a homestead during the calendar year, exclusive of charges for health and personal care  
33 services and food furnished as part of the rental agreement, whether or not expressly set out in  
34 the rental agreement. If the director of revenue determines that the landlord and tenant have not  
35 dealt at arm's length, and that the gross rent is excessive, then he shall determine the gross rent  
36 based upon a reasonable amount of rent. Gross rent shall be deemed to be paid only if actually  
37 paid prior to the date a return is filed. The director of revenue may prescribe regulations  
38 requiring a return of information by a landlord receiving rent, certifying for a calendar year the  
39 amount of gross rent received from a tenant claiming a property tax credit and shall, by  
40 regulation, provide a method for certification by the claimant of the amount of gross rent paid  
41 for any calendar year for which a claim is made. The regulations authorized by this subdivision  
42 may require a landlord or a tenant or both to provide data relating to health and personal care  
43 services and to food. Neither a landlord nor a tenant may be required to provide data relating to  
44 utilities, furniture, home furnishings or appliances;

45 (4) "Homestead", the dwelling in Missouri owned or rented by the claimant and not to  
46 exceed five acres of land surrounding it as is reasonably necessary for use of the dwelling as a  
47 home. It may consist of part of a multidwelling or multipurpose building and part of the land  
48 upon which it is built. "Owned" includes a vendee in possession under a land contract and one  
49 or more tenants by the entireties, joint tenants, or tenants in common and includes a claimant  
50 actually in possession if he was the immediate former owner of record, if a lineal descendant is  
51 presently the owner of record, and if the claimant actually pays all taxes upon the property. It  
52 may include a mobile home;

53 (5) "Income", Missouri adjusted gross income as defined in section 143.121, RSMo, less  
54 two thousand dollars as an exemption for the claimant's spouse residing at the same address, and  
55 increased, where necessary, to reflect the following:

56 (a) Social Security, railroad retirement, and veterans payments and benefits unless the  
57 claimant is a one hundred percent service-connected, disabled veteran or a spouse of a one  
58 hundred percent service-connected, disabled veteran. The one hundred percent  
59 service-connected disabled veteran shall not be required to list veterans payments and benefits;

60 (b) The total amount of all other public and private pensions and annuities;

61 (c) Public relief, public assistance, and unemployment benefits received in cash, other  
62 than benefits received under this chapter;

63 (d) No deduction being allowed for losses not incurred in a trade or business;

64 (e) Interest on the obligations of the United States, any state, or any of their subdivisions  
65 and instrumentalities;

66 (6) "Property taxes accrued", property taxes paid, exclusive of special assessments,  
67 penalties, interest, and charges for service levied on a claimant's homestead in any calendar year.  
68 Property taxes shall qualify for the credit only if actually paid prior to the date a return is filed.  
69 The director of revenue shall require a tax receipt or other proof of property tax payment. If a  
70 homestead is owned only partially by claimant, then "property taxes accrued" is that part of  
71 property taxes levied on the homestead which was actually paid by the claimant. For purposes  
72 of this subdivision, property taxes are "levied" when the tax roll is delivered to the director of  
73 revenue for collection. If a claimant owns a homestead part of the preceding calendar year and  
74 rents it or a different homestead for part of the same year, "property taxes accrued" means only  
75 taxes levied on the homestead both owned and occupied by the claimant, multiplied by the  
76 percentage of twelve months that such property was owned and occupied as the homestead of  
77 the claimant during the year. When a claimant owns and occupies two or more different  
78 homesteads in the same calendar year, property taxes accrued shall be the sum of taxes allocable  
79 to those several properties occupied by the claimant as a homestead for the year. If a homestead  
80 is an integral part of a larger unit such as a farm, or multipurpose or multidwelling building,

81 property taxes accrued shall be that percentage of the total property taxes accrued as the value  
82 of the homestead is of the total value. For purposes of this subdivision "unit" refers to the parcel  
83 of property covered by a single tax statement of which the homestead is a part;

84 (7) "Rent constituting property taxes accrued", twenty percent of the gross rent paid by  
85 a claimant and spouse in the calendar year.

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

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

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 of real property or personal property shall be limited to the actual assessment  
59 growth in such subclass or class, exclusive of new construction and improvements, and exclusive  
60 of the assessed value on any real property which was assessed by the assessor of a county or city  
61 in the current year in a different subclass of real property, but not to exceed the consumer price  
62 index or five percent, whichever is lower. Should the tax revenue of a political subdivision from  
63 the various tax rates determined in this subsection be different than the tax revenue that would  
64 have been determined from a single tax rate as calculated pursuant to the method of calculation  
65 in this subsection prior to January 1, 2003, then the political subdivision shall revise the tax rates  
66 of those subclasses of real property, individually, and/or personal property, in the aggregate, in  
67 which there is a tax rate reduction, pursuant to the provisions of this subsection. Such revision

68 shall yield an amount equal to such difference and shall be apportioned among such subclasses  
69 of real property, individually, and/or personal property, in the aggregate, based on the relative  
70 assessed valuation of the class or subclasses of property experiencing a tax rate reduction. Such  
71 revision in the tax rates of each class or subclass shall be made by computing the percentage of  
72 current year adjusted assessed valuation of each class or subclass with a tax rate reduction to the  
73 total current year adjusted assessed valuation of the class or subclasses with a tax rate reduction,  
74 multiplying the resulting percentages by the revenue difference between the single rate  
75 calculation and the calculations pursuant to this subsection and dividing by the respective  
76 adjusted current year assessed valuation of each class or subclass to determine the adjustment  
77 to the rate to be levied upon each class or subclass of property. The adjustment computed herein  
78 shall be multiplied by one hundred, rounded to four decimals in the manner provided in this  
79 subsection, and added to the initial rate computed for each class or subclass of property.  
80 Notwithstanding any provision of this subsection to the contrary, no revision to the rate of levy  
81 for personal property shall cause such levy to increase over the levy for personal property from  
82 the prior year.

83 3. (1) Where the taxing authority is a school district, it shall be required to revise the rates  
84 of levy to the extent necessary to produce from all taxable property, including state-assessed  
85 railroad and utility property, which shall be separately estimated in addition to other data  
86 required in complying with section 164.011, RSMo, substantially the amount of tax revenue  
87 permitted in this section. In the year following tax rate reduction, the tax rate ceiling may be  
88 adjusted to offset such district's reduction in the apportionment of state school moneys due to its  
89 reduced tax rate. However, in the event any school district, in calculating a tax rate ceiling  
90 pursuant to this section, requiring the estimating of effects of state-assessed railroad and utility  
91 valuation or loss of state aid, discovers that the estimates used result in receipt of excess  
92 revenues, which would have required a lower rate if the actual information had been known, the  
93 school district shall reduce the tax rate ceiling in the following year to compensate for the excess  
94 receipts, and the recalculated rate shall become the tax rate ceiling for purposes of this section.

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

99 (a) Such political subdivision may revise the tax rate ceiling for each purpose it levies  
100 taxes to compensate for the reduction in assessed value occurring after the political subdivision  
101 calculated the tax rate ceiling for the particular subclass of real property or for personal property,  
102 in the aggregate, in the prior year. Such revision by the political subdivision shall be made at the  
103 time of the next calculation of the tax rate for the particular subclass of real property or for

104 personal property, in the aggregate, after the reduction in assessed valuation has been determined  
105 and shall be calculated in a manner that results in the revised tax rate ceiling being the same as  
106 it would have been had the corrected or finalized assessment been available at the time of the  
107 prior calculation;

108 (b) In addition, for up to three years following the determination of the reduction in  
109 assessed valuation as a result of circumstances defined in this subdivision, such political  
110 subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate ceiling  
111 provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to receive for  
112 the three-year period preceding such determination.

113 4. (1) In order to implement the provisions of this section and section 22 of article X of  
114 the Constitution of Missouri, the term "improvements" shall apply to both real and personal  
115 property. In order to determine the value of new construction and improvements, each county  
116 assessor shall maintain a record of real property valuations in such a manner as to identify each  
117 year the increase in valuation for each political subdivision in the county as a result of new  
118 construction and improvements. The value of new construction and improvements shall include  
119 the additional assessed value of all improvements or additions to real property which were begun  
120 after and were not part of the prior year's assessment, except that the additional assessed value  
121 of all improvements or additions to real property which had been totally or partially exempt from  
122 ad valorem taxes pursuant to sections 99.800 to 99.865, RSMo, sections 135.200 to 135.255,  
123 RSMo, and section 353.110, RSMo, shall be included in the value of new construction and  
124 improvements when the property becomes totally or partially subject to assessment and payment  
125 of all ad valorem taxes. The aggregate increase in valuation of personal property for the current  
126 year over that of the previous year is the equivalent of the new construction and improvements  
127 factor for personal property. Notwithstanding any opt-out implemented pursuant to subsection  
128 15 of section 137.115, the assessor shall certify the amount of new construction and  
129 improvements and the amount of assessed value on any real property which was assessed by the  
130 assessor of a county or city in such previous year but is assessed by the assessor of a county or  
131 city in the current year in a different subclass of real property separately for each of the three  
132 subclasses of real property for each political subdivision to the county clerk in order that political  
133 subdivisions shall have this information for the purpose of calculating tax rates pursuant to this  
134 section and section 22, article X, Constitution of Missouri. In addition, the state tax commission  
135 shall certify each year to each county clerk the increase in the general price level as measured by  
136 the Consumer Price Index for All Urban Consumers for the United States, or its successor  
137 publications, as defined and officially reported by the United States Department of Labor, or its  
138 successor agency. The state tax commission shall certify the increase in such index on the latest  
139 twelve-month basis available on June first of each year over the immediately preceding prior

140 twelve-month period in order that political subdivisions shall have this information available in  
141 setting their tax rates according to law and section 22 of article X of the Constitution of Missouri.  
142 For purposes of implementing the provisions of this section and section 22 of article X of the  
143 Missouri Constitution, the term “property” means all taxable property, including state assessed  
144 property.

145 (2) Each political subdivision required to revise rates of levy pursuant to this section or  
146 section 22 of article X of the Constitution of Missouri shall calculate each tax rate it is authorized  
147 to levy and, in establishing each tax rate, shall consider each provision for tax rate revision  
148 provided in this section and section 22 of article X of the Constitution of Missouri, separately  
149 and without regard to annual tax rate reductions provided in section 67.505, RSMo, and section  
150 164.013, RSMo. Each political subdivision shall set each tax rate it is authorized to levy using  
151 the calculation that produces the lowest tax rate ceiling. It is further the intent of the general  
152 assembly, pursuant to the authority of section 10(c) of article X of the Constitution of Missouri,  
153 that the provisions of such section be applicable to tax rate revisions mandated pursuant to  
154 section 22 of article X of the Constitution of Missouri as to reestablishing tax rates as revised in  
155 subsequent years, enforcement provisions, and other provisions not in conflict with section 22  
156 of article X of the Constitution of Missouri. Annual tax rate reductions provided in section  
157 67.505, RSMo, and section 164.013, RSMo, shall be applied to the tax rate as established  
158 pursuant to this section and section 22 of article X of the Constitution of Missouri, unless  
159 otherwise provided by law.

160 5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this section  
161 shall not be increased unless approved by a vote of the people. Approval of the higher tax rate  
162 shall be by at least a majority of votes cast. When a proposed higher tax rate requires approval  
163 by more than a simple majority pursuant to any provision of law or the constitution, the tax rate  
164 increase must receive approval by at least the majority required.

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

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



175           6. (1) For the purposes of calculating state aid for public schools pursuant to section  
176 163.031, RSMo, each taxing authority which is a school district shall determine its proposed tax  
177 rate as a blended rate of the classes or subclasses of property. Such blended rate shall be  
178 calculated by first determining the total tax revenue of the property within the jurisdiction of the  
179 taxing authority, which amount shall be equal to the sum of the products of multiplying the  
180 assessed valuation of each class and subclass of property by the corresponding tax rate for such  
181 class or subclass, then dividing the total tax revenue by the total assessed valuation of the same  
182 jurisdiction, and then multiplying the resulting quotient by a factor of one-hundred. Where the  
183 taxing authority is a school district, such blended rate shall also be used by such school district  
184 for calculating revenue from state-assessed railroad and utility property as defined in chapter 151,  
185 RSMo, and for apportioning the tax rate by purpose.

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

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

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

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

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

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

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

271           11. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that  
272 is created under the authority delegated in this section shall become effective only if it complies  
273 with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section  
274 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers  
275 vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the  
276 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the  
277 grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be  
278 invalid and void.

137.078. 1. For purposes of this section, the following terms shall mean:

2           (1) "Analog equipment", all depreciable items of tangible personal property that are used  
3 directly or indirectly in broadcasting television shows [and], **radio programs, or** commercials

4 through the use of analog technology, **including studio broadcast equipment, transmitter and**  
 5 **antenna equipment, and broadcast towers;**

6 (2) "Applicable analog fraction", a fraction, the numerator of which is the total number  
 7 of analog television sets in the United States for the immediately preceding calendar year and the  
 8 denominator of which is an amount representing the total combined number of analog and digital  
 9 television sets in the United States for the immediately preceding calendar year. The applicable  
 10 analog fraction will be determined on an annual basis by the Missouri Broadcasters Association;

11 (3) "Applicable analog percentage", the following percentages for the following years:

12 Year	2004	2005	2006	2007
13 of Acquisition	Tax Year	Tax Year	Tax Year	Tax Year
14				1%
15 2006				1%
16 2005			25%	1%
17 2004		50%	25%	1%
18 2003	75%	50%	25%	1%
19 2002	75%	50%	25%	1%
20 2001	75%	50%	25%	1%
21 2000	75%	50%	25%	1%
22 1999	75%	50%	25%	1%
23 1998	75%	50%	25%	1%
24 Prior	75%	50%	25%	1%;

25 (4) "Applicable digital fraction", a fraction, the numerator of which is the total number  
 26 of digital television sets in the United States for the immediately preceding calendar year and the  
 27 denominator of which is an amount representing the total combined number of analog and digital  
 28 television sets in the United States for the immediately preceding calendar year. The applicable  
 29 digital fraction will be determined on an annual basis by the Missouri Broadcasters Association;

30 (5) "**Broadcast towers**", **structures with a function that includes holding television**  
 31 **or radio broadcasters' antennae, repeaters, or translators at the height required or needed**  
 32 **to transmit over-the-air signals or enhance the transmission of the signals. This term also**  
 33 **includes the structures at least partially used by television broadcasters or radio**  
 34 **broadcasters to provide weather radar information to the public. For property tax**  
 35 **assessment purposes, broadcast towers are classified as tangible personal property;**

36 (6) "Digital equipment", all depreciable items of tangible personal property that are used  
 37 directly or indirectly in broadcasting television shows [and], **radio programs, or** commercials  
 38 through the use of digital technology, **including studio broadcast equipment, transmitter and**  
 39 **antenna equipment, and broadcast towers;**

40           (7) **"Radio broadcasters", all businesses that own, lease, or operate radio**  
 41 **broadcasting stations that transmit radio shows and commercials and that are required to**  
 42 **be licensed by the Federal Communications Commission to provide such services;**

43           (8) **"Radio broadcasting equipment", both analog equipment and digital**  
 44 **equipment;**

45           [(6)] (9) "Television broadcasters", all businesses that own, lease, or operate television  
 46 broadcasting stations that transmit television shows and commercials and that are required to be  
 47 licensed by the Federal Communications Commission to provide such services;

48           [(7)] (10) "Television broadcasting equipment", both analog equipment and digital  
 49 equipment;

50           (11) **"Transmitter and antenna equipment", equipment with functions that include**  
 51 **transmitting signals from broadcast studios by increasing the power, tuning signals to the**  
 52 **frequency allowed by regulatory authorities, and broadcasting signals to the public for**  
 53 **television broadcasters or radio broadcasters;**

54           (12) **"Studio broadcast equipment", studio equipment that receives, produces,**  
 55 **modifies, controls, measures, modulates, adds to or subtracts from, or enhances signals in**  
 56 **the process that results in over-the-air signals for television broadcasters or radio**  
 57 **broadcasters.**

58           2. In response to recent action by the Federal Communications Commission, as described  
 59 by the commission in the fifth report and order, docket number 97-116, for purposes of assessing  
 60 all items of television broadcasting equipment that are owned and used by television broadcasters  
 61 for purposes of broadcasting television shows and commercials:

62           (1) The true value in money of all analog equipment shall be determined by depreciating  
 63 the historical cost of such property using the depreciation tables provided in subdivision (1) of  
 64 subsection 3 of this section and multiplying the results by the applicable analog percentage. The  
 65 result of the second computation is multiplied by the applicable analog fraction to determine the  
 66 true value in money of the analog equipment; and

67           (2) The true value in money of all digital equipment shall be determined by depreciating  
 68 the historical cost of such property using the depreciation tables provided in subdivision (2) of  
 69 subsection 3 of this section and multiplying the results by the applicable digital fraction to  
 70 determine the true value in money of the digital equipment.

71           3. For purposes of subsection 2 of this section, the depreciation tables for determining  
 72 the [fair] **true** value in money of television broadcasting equipment are as follows:

73           (1) For analog equipment, the following depreciation tables will apply for the following  
 74 years:

75           Year	2004	2005	2006	2007
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76	of Acquisition	Tax Year	Tax Year	Tax Year	Tax Year
77	2006				65%
78	2005			65%	45%
79	2004		65%	45%	30%
80	2003	65%	45%	30%	20%
81	2002	45%	30%	20%	10%
82	2001	30%	20%	10%	5%
83	2000	20%	10%	5%	5%
84	1999	10%	5%	5%	5%
85	1998	5%	5%	5%	5%
86	Prior	5%	5%	5%	5%;

87 (2) For digital equipment, the following depreciation tables will apply for the following  
 88 years:

89	Year	2004	2005	2006	2007
90	of Acquisition	Tax Year	Tax Year	Tax Year	Tax Year
91	2006				65%
92	2005			65%	45%
93	2004		65%	45%	30%
94	2003	65%	45%	30%	20%
95	2002	45%	30%	20%	10%
96	2001	30%	20%	10%	5%
97	2000	20%	10%	5%	5%
98	1999	10%	5%	5%	5%
99	1998	5%	5%	5%	5%
100	Prior	5%	5%	5%	5%.

101 **4. Beginning January 1, 2008, for purposes of assessing all items of television**  
 102 **broadcasting equipment that are owned and used by television broadcasters for purposes**  
 103 **of broadcasting television shows and commercials, the following depreciation tables will**  
 104 **be used to determine their true value in money. The percentage shown for the first year**  
 105 **shall be the percentage of the original cost used for January first of the year following the**  
 106 **year of acquisition of the property, and the percentage shown for each succeeding year**  
 107 **shall be the percentage of the original cost used for January first of the respective**  
 108 **succeeding year as follows:**

109	Year	Studio Broadcast	Transmitter and	Broadcast Tower
110		Equipment	Antenna Equipment	
111	1	65%	91%	96%

112	<b>2</b>	<b>45%</b>	<b>82%</b>	<b>93%</b>
113	<b>3</b>	<b>30%</b>	<b>73%</b>	<b>89%</b>
114	<b>4</b>	<b>20%</b>	<b>64%</b>	<b>86%</b>
115	<b>5</b>	<b>10%</b>	<b>55%</b>	<b>82%</b>
116	<b>6</b>	<b>5%</b>	<b>46%</b>	<b>79%</b>
117	<b>7</b>		<b>37%</b>	<b>75%</b>
118	<b>8</b>		<b>28%</b>	<b>72%</b>
119	<b>9</b>		<b>19%</b>	<b>68%</b>
120	<b>10</b>		<b>10%</b>	<b>65%</b>
121	<b>11</b>			<b>61%</b>
122	<b>12</b>			<b>58%</b>
123	<b>13</b>			<b>54%</b>
124	<b>14</b>			<b>51%</b>
125	<b>15</b>			<b>47%</b>
126	<b>16</b>			<b>44%</b>
127	<b>17</b>			<b>40%</b>
128	<b>19</b>			<b>33%</b>
129	<b>20</b>			<b>30%</b>
130	<b>21</b>			<b>27%</b>
131	<b>22</b>			<b>24%</b>
132	<b>23</b>			<b>21%</b>
133	<b>24</b>			<b>18%</b>
134	<b>25</b>			<b>15%.</b>

135

136 **Television broadcasting equipment in all recovery periods shall continue in subsequent**  
 137 **years to have the depreciation percentage last listed in the appropriate column so long as**  
 138 **it is owned or held by the taxpayer.**

139 **5. Effective January 1, 2006, for purposes of assessing all items of radio**  
 140 **broadcasting equipment that are owned and used by radio broadcasters for purposes of**  
 141 **broadcasting radio programs and commercials, the following depreciation tables will be**  
 142 **used to determine their true value in money. The percentage shown for the first year shall**  
 143 **be the percentage of the original cost used for January first of the year following the year**  
 144 **of acquisition of the property, and the percentage shown for each succeeding year shall be**  
 145 **the percentage of the original cost used for January first of the respective succeeding year**  
 146 **as follows:**

147	<b>Year</b>	<b>Studio Broadcast</b>	<b>Transmitter and</b>	<b>Broadcast Tower</b>
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	<b>Equipment</b>	<b>Antenna Equipment</b>	
148			
149	<b>1</b>	<b>65%</b>	<b>91%</b>
150	<b>2</b>	<b>45%</b>	<b>82%</b>
151	<b>3</b>	<b>30%</b>	<b>73%</b>
152	<b>4</b>	<b>20%</b>	<b>64%</b>
153	<b>5</b>	<b>10%</b>	<b>55%</b>
154	<b>6</b>	<b>5%</b>	<b>46%</b>
155	<b>7</b>		<b>37%</b>
156	<b>8</b>		<b>28%</b>
157	<b>9</b>		<b>19%</b>
158	<b>10</b>		<b>10%</b>
159	<b>11</b>		<b>61%</b>
160	<b>12</b>		<b>58%</b>
161	<b>13</b>		<b>54%</b>
162	<b>14</b>		<b>51%</b>
163	<b>15</b>		<b>47%</b>
164	<b>16</b>		<b>44%</b>
165	<b>17</b>		<b>40%</b>
166	<b>19</b>		<b>33%</b>
167	<b>20</b>		<b>30%</b>
168	<b>21</b>		<b>27%</b>
169	<b>22</b>		<b>24%</b>
170	<b>23</b>		<b>21%</b>
171	<b>24</b>		<b>18%</b>
172	<b>25</b>		<b>15%.</b>

173

174 **Radio broadcast equipment in all recovery periods shall continue in subsequent years to**  
 175 **have the depreciation percentage last listed in the appropriate column so long as it is**  
 176 **owned or held by the taxpayer.**

**137.079. Prior to setting its rate or rates as required by section 137.073, each taxing**  
 2 **authority shall exclude from its total assessed valuation seventy-two percent of the total**  
 3 **amount of assessed value to business personal property that is subject of an appeal at the**  
 4 **state tax commission or in a court of competent jurisdiction in this state. This exclusion**  
 5 **shall only apply to the portion of the assessed value of business personal property that is**  
 6 **disputed in the appeal, and shall not exclude any portion of the same property that is not**  
 7 **disputed. If the taxing authority uses a multi-rate approach as provided in section 137.073,**



8 **this exclusion shall be made from the personal property class. The state tax commission**  
9 **shall provide each taxing authority with the total assessed value of business personal**  
10 **property within the jurisdiction of such taxing authority for which an appeal is pending**  
11 **no later than August 20 of each year. Whenever any appeal is resolved, whether by final**  
12 **adjudication or settlement, and the result of the appeal causes money to be paid to the**  
13 **taxing authority, the taxing authority shall not be required to make an additional**  
14 **adjustment to its rate or rates due to such payment once the deadline for setting its rates,**  
15 **as provided by this chapter, has passed in a taxable year, but shall adjust its rate or rates**  
16 **due to such payment in the next rate setting cycle to offset the payment in the next taxable**  
17 **year. For the purposes of this section, the term "business personal property", means**  
18 **tangible personal property which is used in a trade of business or used for production of**  
19 **income and which has a determinable life of longer than one year except that supplies used**  
20 **by a business shall also be considered business personal property, but shall not include**  
21 **livestock, farm machinery, property subject to the motor vehicle registration provisions**  
22 **of chapter 301, RSMo, property subject to the tables provided in section 137.078, property**  
23 **of rural electric cooperatives under chapter 394, RSMo, or property assessed by the state**  
24 **tax commission under chapters 151, 153, and 155, RSMo, section 137.022, and sections**  
25 **137.1000 to 137.1030.**

137.100. The following subjects are exempt from taxation for state, county or local  
2 purposes:

- 3 (1) Lands and other property belonging to this state;
- 4 (2) Lands and other property belonging to any city, county or other political subdivision  
5 in this state, including market houses, town halls and other public structures, with their furniture  
6 and equipments, and on public squares and lots kept open for health, use or ornament;
- 7 (3) Nonprofit cemeteries;
- 8 (4) The real estate and tangible personal property which is used exclusively for  
9 agricultural or horticultural societies organized in this state, including not-for-profit agribusiness  
10 associations;
- 11 (5) All property, real and personal, actually and regularly used exclusively for religious  
12 worship, for schools and colleges, or for purposes purely charitable and not held for private or  
13 corporate profit, except that the exemption herein granted does not include real property not  
14 actually used or occupied for the purpose of the organization but held or used as investment even  
15 though the income or rentals received therefrom is used wholly for religious, educational or  
16 charitable purposes;

17 (6) Household goods, furniture, wearing apparel and articles of personal use and  
18 adornment, as defined by the state tax commission, owned and used by a person in his home or  
19 dwelling place;

20 (7) Motor vehicles leased for a period of at least one year to this state or to any city,  
21 county, or political subdivision **or to any religious, educational, or charitable organization**  
22 **which has obtained an exemption from the payment of federal income taxes, provided the**  
23 **motor vehicles are used exclusively for religious, educational, or charitable purposes;** and

24 (8) Real or personal property leased or otherwise transferred by an interstate compact  
25 agency created pursuant to sections 70.370 to 70.430, RSMo, or sections 238.010 to 238.100,  
26 RSMo, to another for which or whom such property is not exempt when immediately after the  
27 lease or transfer, the interstate compact agency enters into a leaseback or other agreement that  
28 directly or indirectly gives such interstate compact agency a right to use, control, and possess the  
29 property; provided, however, that in the event of a conveyance of such property, the interstate  
30 compact agency must retain an option to purchase the property at a future date or, within the  
31 limitations period for reverters, the property must revert back to the interstate compact agency.  
32 Property will no longer be exempt under this subdivision in the event of a conveyance as of the  
33 date, if any, when:

34 (a) The right of the interstate compact agency to use, control, and possess the property  
35 is terminated;

36 (b) The interstate compact agency no longer has an option to purchase or otherwise  
37 acquire the property; and

38 (c) There are no provisions for reverter of the property within the limitation period for  
39 reverters.

137.106. 1. This section may be known and may be cited as "The Missouri Homestead  
2 Preservation Act".

3 2. As used in this section, the following terms shall mean:

4 (1) "Department", the department of revenue;

5 (2) "Director", the director of revenue;

6 (3) "Disabled", as such term is defined in section 135.010, RSMo;

7 (4) "Eligible owner", any individual owner of property who is sixty-five years old or  
8 older as of January first of the tax year in which the individual is claiming the credit or who is  
9 disabled, and who had an income of equal to or less than the maximum upper limit in the year  
10 prior to completing an application pursuant to subsection 4 of this section; in the case of a  
11 married couple owning property either jointly or as tenants by the entirety, or where only one  
12 spouse owns the property, such couple shall be considered an eligible taxpayer if both spouses  
13 have reached the age of sixty-five or if one spouse is disabled, or if one spouse is at least

14 sixty-five years old and the other spouse is at least sixty years old, and the combined income of  
15 the couple in the year prior to completing an application pursuant to subsection 4 of this section  
16 did not exceed the maximum upper limit; **in the case of property held in trust, the eligible**  
17 **owner and recipient of the tax credit shall be the trust itself provided the previous owner**  
18 **of the homestead or the previous owner's spouse: is the settlor of the trust with respect to**  
19 **the homestead; currently resides in such homestead; and but for the transfer of such**  
20 **property would have satisfied the age, ownership, and maximum upper limit requirements**  
21 **for income as defined in subdivisions 7 and 8 of this subsection;** no individual shall be an  
22 eligible owner if the individual has not paid their property tax liability, if any, in full by the  
23 payment due date in any of the three prior tax years, except that a late payment of a property tax  
24 liability in any prior year, [not including the year in which the application was completed,] shall  
25 not disqualify a potential eligible owner if such owner paid in full the tax liability and any and  
26 all penalties, additions and interest that arose as a result of such late payment; no individual shall  
27 be an eligible owner if such person [qualifies] **filed a valid claim** for the senior citizens property  
28 tax relief credit pursuant to sections 135.010 to 135.035, RSMo;

29 (5) "Homestead", as such term is defined pursuant to section 135.010, RSMo, except as  
30 limited by provisions of this section to the contrary. No property shall be considered a  
31 homestead if such property was improved since the most recent annual assessment by more than  
32 five percent of the prior year appraised value, **except where an eligible owner of the property**  
33 **has made such improvements to accommodate a disabled person;**

34 (6) "Homestead exemption limit", a percentage increase, rounded to the nearest  
35 hundredth of a percent, which shall be equal to the percentage increase to tax liability, not  
36 including improvements, of a homestead from one tax year to the next that exceeds a certain  
37 percentage set pursuant to subsection [8] **10** of this section. **For applications filed in 2005 or**  
38 **2006, the homestead exemption limit shall be based on the increase to tax liability from**  
39 **2004 to 2005. For applications filed between April 1, 2005 and September 30, 2006, an**  
40 **eligible owner, who otherwise satisfied the requirements of this section, shall not apply for**  
41 **the homestead exemption credit more than once during such period. For applications filed**  
42 **after 2006, the homestead exemption limit shall be based on the increase to tax liability**  
43 **from two years prior to application to the year immediately prior to application;**

44 (7) "Income", federal adjusted gross income, **and in the case of ownership of the**  
45 **homestead by trust, the income of the settlor applicant shall be imputed to the income of**  
46 **the trust for purposes of determining eligibility with regards to the maximum upper limit;**

47 (8) "Maximum upper limit", in the calendar year 2005, the income sum of seventy  
48 thousand dollars; in each successive calendar year this amount shall be raised by the incremental

49 increase in the general price level, as defined pursuant to article X, section 17 of the Missouri  
50 Constitution.

51 3. Pursuant to article X, section 6(a) of the Constitution of Missouri, if in the prior tax  
52 year, the property tax liability on any parcel of subclass (1) real property increased by more than  
53 the homestead exemption limit, without regard for any prior credit received due to the provisions  
54 of this section, then any eligible owner of the property shall receive a homestead exemption  
55 credit to be applied in the current tax year property tax liability to offset the prior year increase  
56 to tax liability that exceeds the homestead exemption limit, except as eligibility for the credit is  
57 limited by the provisions of this section. The amount of the credit shall be listed separately on  
58 each taxpayer's tax bill for the current tax year, or on a document enclosed with the taxpayer's  
59 bill. The homestead exemption credit shall not affect the process of setting the tax rate as  
60 required pursuant to article X, section 22 of the Constitution of Missouri and section 137.073 in  
61 any prior, current, or subsequent tax year.

62 4. **If application is made in 2005**, any potential eligible owner may apply for the  
63 homestead exemption credit by completing an application through their local assessor's office.  
64 Applications may be completed between April first and September thirtieth of any tax year in  
65 order for the taxpayer to be eligible for the homestead exemption credit in the tax year next  
66 following the calendar year in which the homestead exemption credit application was completed.  
67 The application shall be on forms provided to the assessor's office by the department. Forms also  
68 shall be made available on the department's Internet site and at all permanent branch offices and  
69 all full-time, temporary, or fee offices maintained by the department of revenue. The applicant  
70 shall attest under penalty of perjury:

71 (1) To the applicant's age;

72 (2) That the applicant's prior year income was less than the maximum upper limit;

73 (3) To the address of the homestead property; and

74 (4) That any improvements made to the homestead, **not made to accommodate a**  
75 **disabled person**, did not total more than five percent of the prior year appraised value.

76 The applicant shall also include with the application copies of receipts indicating payment of  
77 property tax by the applicant for the homestead property for the two prior tax years.

78 5. **If application is made in 2005**, the assessor, upon [receiving] **request for an**  
79 application, shall:

80 (1) Certify the parcel number and owner of record as of January first of the homestead,  
81 including verification of the acreage classified as residential on the assessor's property record  
82 card;

83 (2) Obtain appropriate prior tax year levy codes for each homestead from the county  
84 clerks **for inclusion on the form**;

85 (3) Record on the application the assessed valuation of the homestead for the current tax  
86 year, and any new construction or improvements for the current tax year; and

87 (4) Sign the application, certifying the accuracy of the assessor's entries.

88 **6. If application is made after 2005, any potential eligible owner may apply for the**  
89 **homestead exemption credit by completing an application. Applications may be completed**  
90 **between April 1 and September 30 of any tax year in order for the taxpayer to be eligible**  
91 **for the homestead exemption credit in the tax year next following the calendar year in**  
92 **which the homestead exemption credit application was completed. The application shall**  
93 **be on forms provided by the department. Forms also shall be made available on the**  
94 **department's internet site and at all permanent branch offices and all full-time, temporary,**  
95 **or fee offices maintained by the department of revenue. The applicant shall attest under**  
96 **penalty of perjury:**

97 (1) **To the applicant's age;**

98 (2) **That the applicant's prior year income was less than the maximum upper limit;**

99 (3) **To the address of the homestead property;**

100 (4) **That any improvements made to the homestead, not made to accommodate a**  
101 **disabled person, did not total more than five percent of the prior year appraised value; and**

102 (5) **The applicant shall also include with the application copies of receipts**  
103 **indicating payment of property tax by the applicant for the homestead property for the**  
104 **three prior tax years.**

105 **7.** Each applicant shall send the application to the department by September thirtieth of  
106 each year for the taxpayer to be eligible for the homestead exemption credit in the tax year next  
107 following the calendar year in which the application was completed.

108 **[7.] 8. If application is made in 2005,** upon receipt of the applications, the department  
109 shall calculate the tax liability, adjusted to exclude new construction or improvements verify  
110 compliance with the maximum income limit, verify the age of the applicants, and make  
111 adjustments to these numbers as necessary on the applications. The department also shall  
112 disallow any application where the applicant has also filed a valid application for the senior  
113 citizens property tax credit, pursuant to sections 135.010 to 135.035, RSMo. Once adjusted tax  
114 liability, age, and income are verified, the director shall determine eligibility for the credit, and  
115 provide a list of all verified eligible owners to the county collectors or county clerks in counties  
116 with a township form of government by December fifteenth of each year. By January fifteenth,  
117 the county collectors or county clerks in counties with a township form of government shall  
118 provide a list to the department of any verified eligible owners who failed to pay the property tax  
119 due for the tax year that ended immediately prior. Such eligible owners shall be disqualified  
120 from receiving the credit in the current tax year.

121 [8.] **9.** If application is made after 2005, upon receipt of the applications, the  
122 department shall calculate the tax liability, verify compliance with the maximum income  
123 limit, verify the age of the applicants, and make adjustments to these numbers as necessary  
124 on the applications. The department also shall disallow any application where the  
125 applicant also has filed a valid application for the senior citizens property tax credit under  
126 sections 135.010 to 135.035, RSMo. Once adjusted tax liability, age, and income is verified,  
127 the director shall determine eligibility for the credit and provide a list of all verified eligible  
128 owners to the county assessors or county clerks in counties with a township form of  
129 government by December fifteenth of each year. By January fifteenth, the county assessors  
130 shall provide a list to the department of any verified eligible owners who made  
131 improvements not for accommodation of a disability to the homestead and the dollar  
132 amount of the assessed value of such improvements. If the dollar amount of the assessed  
133 value of such improvements totaled more than five percent of the prior year appraised  
134 value, such eligible owners shall be disqualified from receiving the credit in the current tax  
135 year.

136 **10.** The director shall calculate the level of appropriation necessary to set the homestead  
137 exemption limit at five percent when based on a year of general reassessment or at two and  
138 one-half percent when based on a year without general reassessment for the homesteads of all  
139 verified eligible owners, and provide such calculation to the speaker of the house of  
140 representatives, the president pro tempore of the senate, and the director of the office of budget  
141 and planning in the office of administration by January thirty-first of each year.

142 [9.] **11.** [If, in any given year,] **For applications made in 2005,** the general assembly  
143 shall make an appropriation for the funding of the homestead exemption credit that is signed by  
144 the governor, then the director shall, by July thirty-first of such year, set the homestead  
145 exemption limit. The limit shall be a single, statewide percentage increase to tax liability,  
146 rounded to the nearest hundredth of a percent, which, if applied to all homesteads of verified  
147 eligible owners who applied for the homestead exemption credit in the immediately prior tax  
148 year, would cause all but one-quarter of one percent of the amount of the appropriation, minus  
149 any withholding by the governor, to be distributed during that fiscal year. The remaining  
150 one-quarter of one percent shall be distributed to the county assessment funds of each county on  
151 a proportional basis, based on the number of eligible owners in each county; such one-quarter  
152 percent distribution shall be delineated in any such appropriation as a separate line item in the  
153 total appropriation. If no appropriation is made by the general assembly during any tax year or  
154 no funds are actually distributed pursuant to any appropriation therefor, then no homestead  
155 preservation credit shall apply in such year.

156 [10.] **12.** After setting the homestead exemption limit **for applications made in 2005**,  
157 the director shall apply the limit to the homestead of each verified eligible owner and calculate  
158 the credit to be associated with each verified eligible owner's homestead, if any. The director  
159 shall send a list of those eligible owners who are to receive the homestead exemption credit,  
160 including the amount of each credit, the certified parcel number of the homestead, and the  
161 address of the homestead property, to the county collectors or county clerks in counties with a  
162 township form of government by August thirty-first. Pursuant to such calculation, the director  
163 shall instruct the state treasurer as to how to distribute the appropriation **and assessment fund**  
164 **allocation** to the county collector's funds of each county **or the treasurer ex officio collector's**  
165 **fund in counties with a township form of government** where recipients of the homestead  
166 exemption credit are located, so as to exactly offset each homestead exemption credit being  
167 issued, plus the one-quarter of one percent distribution for the county assessment funds. As a  
168 result of the appropriation, in no case shall a political subdivision receive more money than it  
169 would have received absent the provisions of this section plus the one-quarter of one percent  
170 distribution for the county assessment funds. Funds, at the direction of the county collector **or**  
171 **the treasurer ex officio collector in counties with a township form of government**, shall be  
172 deposited in the county collector's fund of a county **or the treasurer ex officio collector's fund**  
173 or may be sent by mail to the collector of a county, **or the treasurer ex officio collector in**  
174 **counties with a township form of government**, not later than October first in any year a  
175 homestead exemption credit is appropriated as a result of this section and shall be distributed as  
176 moneys in such funds are commonly distributed from other property tax revenues **by the**  
177 **collector of the county or the treasurer ex officio collector of the county in counties with**  
178 **a township form of government**, so as to exactly offset each homestead exemption credit being  
179 issued. **In counties with a township form of government, the county clerk shall provide the**  
180 **treasurer ex officio collector a summary of the homestead exemption credit for each**  
181 **township for the purpose of distributing the total homestead exemption credit to each**  
182 **township collector in a particular county.**

183 [11.] **13.** If, in any given year after 2005, the general assembly shall make an  
184 appropriation for the funding of the homestead exemption credit that is signed by the  
185 governor, then the director shall, by July thirty-first of such year, set the homestead  
186 exemption limit. The limit shall be a single, statewide percentage increase to tax liability,  
187 rounded to the nearest hundredth of a percent, which, if applied to all homesteads of  
188 verified eligible owners who applied for the homestead exemption credit in the immediately  
189 prior tax year, would cause all of the amount of the appropriation, minus any withholding  
190 by the governor, to be distributed during that fiscal year. If no appropriation is made by  
191 the general assembly during any tax year or no funds are actually distributed pursuant to

192 any appropriation therefor, then no homestead preservation credit shall apply in such  
193 year.

194 **14. After setting the homestead exemption limit for applications made after 2005,**  
195 **the director shall apply the limit to the homestead of each verified eligible owner and**  
196 **calculate the credit to be associated with each verified eligible owner's homestead, if any.**  
197 **The director shall send a list of those eligible owners who are to receive the homestead**  
198 **exemption credit, including the amount of each credit, the certified parcel number of the**  
199 **homestead, and the address of the homestead property, to the county collectors or county**  
200 **clerks in counties with a township form of government by August thirty-first. Pursuant**  
201 **to such calculation, the director shall instruct the state treasurer as to how to distribute the**  
202 **appropriation to the county collector's fund of each county where recipients of the**  
203 **homestead exemption credit are located, so as to exactly offset each homestead exemption**  
204 **credit being issued. As a result of the appropriation, in no case shall a political subdivision**  
205 **receive more money than it would have received absent the provisions of this section.**  
206 **Funds, at the direction of the collector of the county or treasurer ex-officio collector in**  
207 **counties with a township form of government, shall be deposited in the county collector's**  
208 **fund of a county or may be sent by mail to the collector of a county, or treasurer ex officio**  
209 **collector in counties with a township form of government, not later than October first in**  
210 **any year a homestead exemption credit is appropriated as a result of this section and shall**  
211 **be distributed as moneys in such funds are commonly distributed from other property tax**  
212 **revenues by the collector of the county or the treasurer ex officio collector of the county in**  
213 **counties with a township form of government, so as to exactly offset each homestead**  
214 **exemption credit being issued.**

215 **15.** The department shall promulgate rules for implementation of this section. Any rule  
216 or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the  
217 authority delegated in this section shall become effective only if it complies with and is subject  
218 to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This  
219 section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the  
220 general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to  
221 disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking  
222 authority and any rule proposed or adopted after August 28, 2004, shall be invalid and void. Any  
223 rule promulgated by the department shall in no way impact, affect, interrupt, or interfere with the  
224 performance of the required statutory duties of any county elected official, more particularly  
225 including the county collector when performing such duties as deemed necessary for the  
226 distribution of any homestead appropriation and the distribution of all other real and personal  
227 property taxes.



228 [12.] **16.** In the event that an eligible owner dies or transfers ownership of the property  
229 after the homestead exemption limit has been set in any given year, but prior to [the mailing of  
230 the tax bill] **January first of the year in which the credit would otherwise be applied**, the  
231 credit shall be void and any corresponding moneys, pursuant to subsection 10 of this section,  
232 shall lapse to the state to be credited to the general revenue fund. **In the event the collector of**  
233 **the county or the treasurer ex officio collector of the county in counties with a township**  
234 **form of government determines prior to issuing the credit that the individual is not an**  
235 **eligible owner because the individual did not pay the prior three years' property tax**  
236 **liability in full, the credit shall be void and any corresponding moneys, under subsection**  
237 **11 of this section, shall lapse to the state to be credited to the general revenue fund.**

238 [13.] **17.** This section shall apply to all tax years beginning on or after January 1, 2005.  
239 This subsection shall become effective June 28, 2004.

240 [14.] **18.** In accordance with the provisions of sections 23.250 to 23.298, RSMo, and  
241 unless otherwise authorized pursuant to section 23.253, RSMo:

242 (1) Any new program authorized under the provisions of this section shall automatically  
243 sunset six years after the effective date of this section; and

244 (2) This section shall terminate on September first of the year following the year in  
245 which any new program authorized under this section is sunset, and the revisor of statutes shall  
246 designate such sections and this section in a revision bill for repeal.

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

2 (1) **"Business personal property"**, tangible personal property which is used in a  
3 trade or business or used for production of income and which has a determinable life of  
4 longer than one year except that supplies used by a business shall also be considered  
5 business personal property, but shall not include livestock, farm machinery, grain and  
6 other agricultural crops in an unmanufactured condition, property subject to the motor  
7 vehicle registration provisions of chapter 301, RSMo, property assessed under section  
8 137.078, property of rural electric cooperatives under chapter 394, RSMo, or property  
9 assessed by the state tax commission under chapters 151, 153, and 155, RSMo, section  
10 137.022, and sections 137.1000 to 137.1030;

11 (2) **"Class life"**, the class life of property as set out in the federal Modified  
12 Accelerated Cost Recovery System life tables or their successors under the Internal  
13 Revenue Code as amended;

14 (3) **"Economic or functional obsolescence"**, a loss in value of personal property  
15 above and beyond physical deterioration and age of the property. Such loss may be the  
16 result of economic or functional obsolescence or both;

17 (4) "Original cost", the price the current owner, the taxpayer, paid for the item  
 18 without freight, installation, or sales or use tax. In the case of acquisition of items of  
 19 personal property as part of an acquisition of an entity, the original cost shall be the  
 20 historical cost of those assets remaining in place and in use and the placed in service date  
 21 shall be the date of acquisition by the entity being acquired;

22 (5) "Placed in service", property is placed in service when it is ready and available  
 23 for a specific use, whether in a business activity, an income-producing activity, a tax-  
 24 exempt activity, or a personal activity. Even if the property is not being used, the property  
 25 is in service when it is ready and available for its specific use;

26 (6) "Recovery period", the period over which the original cost of depreciable  
 27 tangible personal property shall be depreciated for property tax purposes and shall be the  
 28 same as the recovery period allowed for such property under the Internal Revenue Code.

29 2. To establish uniformity in the assessment of depreciable tangible personal  
 30 property, each assessor shall use the standardized schedule of depreciation in this section  
 31 to determine the assessed valuation of depreciable tangible personal property for the  
 32 purpose of estimating the value of such property subject to taxation under this chapter.

33 3. For purposes of this section, and to estimate the value of depreciable tangible  
 34 personal property for mass appraisal purposes, each assessor shall value depreciable  
 35 tangible personal property by applying the class life and recovery period to the original  
 36 cost of the property according to the following depreciation schedule. The percentage  
 37 shown for the first year shall be the percentage of the original cost used for January first  
 38 of the year following the year of acquisition of the property, and the percentage shown for  
 39 each succeeding year shall be the percentage of the original cost used for January first of  
 40 the respective succeeding year as follows:

41 Year	42 Recovery Period in Years					
	3	5	7	10	15	20
43 1	75.00	85.00	89.29	92.50	95.00	96.25
44 2	37.50	59.50	70.16	78.62	85.50	89.03
45 3	12.50	41.65	55.13	66.83	76.95	82.35
46 4	5.00	24.99	42.88	56.81	69.25	76.18
47 5		10.00	30.63	48.07	62.32	70.46
48 6			18.38	39.33	56.09	65.18
49 7			10.00	30.59	50.19	60.29
50 8				21.85	44.29	55.77
51 9				15.00	38.38	51.31
52 10					32.48	46.85

53	<b>11</b>	<b>26.57</b>	<b>42.38</b>
54	<b>12</b>	<b>20.67</b>	<b>37.92</b>
55	<b>13</b>	<b>15.00</b>	<b>33.46</b>
56	<b>14</b>		<b>29.00</b>
57	<b>15</b>		<b>24.54</b>
58	<b>16</b>		<b>20.08</b>
59	<b>17</b>		<b>20.00</b>

60

61 **Depreciable tangible personal property in all recovery periods shall continue in subsequent**  
62 **years to have the depreciation factor last listed in the appropriate column so long as it is**  
63 **owned or held by the taxpayer. The state tax commission shall study and analyze the**  
64 **values established by this method of assessment and in every odd-numbered year make**  
65 **recommendations to the joint committee on tax policy pertaining to any changes in this**  
66 **methodology, if any, that are warranted.**

67 **4. Such estimate of value determined under this section shall be presumed to be**  
68 **correct for the purpose of determining the true value in money of the depreciable tangible**  
69 **personal property, but such estimation may be disproved by substantial and persuasive**  
70 **evidence of the true value in money under any method determined by the state tax**  
71 **commission to be correct, including, but not limited to, an appraisal of the tangible**  
72 **personal property specifically utilizing generally accepted appraisal techniques, and**  
73 **contained in a narrative appraisal report in accordance with the Uniform Standards of**  
74 **Professional Appraisal Practice or by proof of economic or functional obsolescence or**  
75 **evidence of excessive physical deterioration. For purposes of appeal of the provisions of**  
76 **this section, the salvage or scrap value of depreciable tangible personal property may only**  
77 **be considered if the property is not in use as of the assessment date.**

78 **5. This section shall not apply to business personal property placed in service**  
79 **before January 2, 2006.**

80 **6. The provisions of this section are not intended to modify the definition of**  
81 **“tangible personal property” as defined in section 137.010.**

