

SECOND REGULAR SESSION

HOUSE BILL NO. 1950

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES NOLTE (Sponsor), SILVEY, NANCE, PORTWOOD, KRAUS,
MOORE, ST. ONGE, BIVINS, SCHNEIDER AND CUNNINGHAM (86) (Co-sponsors).

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STEPHEN S. DAVIS, Chief Clerk

4425L.01I

AN ACT

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

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

Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows:

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's deputies in all counties of this state including the city of St. Louis shall annually make a list of all real and tangible personal property taxable in the assessor's city, county, town or district. Except as otherwise provided in subsection 3 of this section and section 137.078, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year. The assessor shall annually assess all real property, including any new construction and improvements to real property, and possessory interests in real property at the percent of its true value in money set in subsection 5 of this section. The assessor shall annually assess all real property in the following manner: new assessed values shall be determined as of January first of each odd-numbered year and shall be entered in the assessor's books; those same assessed values shall apply in the following even-numbered year, except for new construction and property improvements which shall be valued as though they had been completed as of January first of the preceding odd-numbered year. The assessor may call at the office, place of doing business, or residence of each person

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.

15 required by this chapter to list property, and require the person to make a correct statement of all
16 taxable tangible personal property owned by the person or under his or her care, charge or
17 management, taxable in the county. On or before January first of each even-numbered year, the
18 assessor shall prepare and submit a two-year assessment maintenance plan to the county
19 governing body and the state tax commission for their respective approval or modification. The
20 county governing body shall approve and forward such plan or its alternative to the plan to the
21 state tax commission by February first. If the county governing body fails to forward the plan
22 or its alternative to the plan to the state tax commission by February first, the assessor's plan shall
23 be considered approved by the county governing body. If the state tax commission fails to
24 approve a plan and if the state tax commission and the assessor and the governing body of the
25 county involved are unable to resolve the differences, in order to receive state cost-share funds
26 outlined in section 137.750, the county or the assessor shall petition the administrative hearing
27 commission, by May first, to decide all matters in dispute regarding the assessment maintenance
28 plan. Upon agreement of the parties, the matter may be stayed while the parties proceed with
29 mediation or arbitration upon terms agreed to by the parties. The final decision of the
30 administrative hearing commission shall be subject to judicial review in the circuit court of the
31 county involved. In the event a valuation of subclass (1) real property within any county with
32 a charter form of government, or within a city not within a county, is made by a computer,
33 computer-assisted method or a computer program, the burden of proof, supported by clear,
34 convincing and cogent evidence to sustain such valuation, shall be on the assessor at any hearing
35 or appeal. In any such county, unless the assessor proves otherwise, there shall be a presumption
36 that the assessment was made by a computer, computer-assisted method or a computer program.
37 Such evidence shall include, but 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] **percentages** 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
113 written notice of the owner's rights relating to the physical inspection. If a physical inspection
114 is required, the property owner may request that an interior inspection be performed during the
115 physical inspection. The owner shall have no less than thirty days to notify the assessor of a
116 request for an interior physical inspection.

117 12. A physical inspection, as required by subsection 10 of this section, shall include, but
118 not be limited to, an on-site personal observation and review of all exterior portions of the land
119 and any buildings and improvements to which the inspector has or may reasonably and lawfully
120 gain external access, and shall include an observation and review of the interior of any buildings
121 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 or license 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, processor, or issuer for its service. A county or city collector may accept payment by electronic transfers of funds in payment of any tax or license and charge the person making such payment a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic payment.

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 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 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 out of 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, for the next year of the general reassessment, prior to January 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 a single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly, second regular session. A governing body of a city not within a county or a county that has opted out under the provisions of this subsection may choose to implement 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, for the next year of general reassessment, by an affirmative vote of the governing body prior to December thirty-first of any year.

16. (1) As used in this subsection, the following terms mean:

(a) "Disabled", totally and permanently disabled or blind and receiving federal Social Security disability benefits, federal supplemental security income benefits, veterans administration benefits, state blind pension under sections 209.010 to 209.160, RSMo, state aid to blind persons under section 209.240, RSMo, or state supplemental payments under section 208.030, RSMo;

(b) "Principal residence", real property owned and occupied by or held in trust for a qualified taxpayer, or owned and occupied jointly by or held in trust for any individuals any of whom is a qualified taxpayer;

(c) "Qualified taxpayer", any individual who is sixty-five years of age or older, or who is disabled, and who owns and occupies a principal residence.

(2) Notwithstanding any other provision of law to the contrary, for all property assessments conducted after December 31, 2006, the assessed valuation of a principal residence shall not increase by a percentage greater than the percentage of increase in the qualified taxpayer's Social Security benefits in the previous year, except as otherwise provided in this subsection, in any assessment conducted after the qualified taxpayer has reached sixty-five years of age or has become disabled.

(3) This subsection shall not apply to any increase in the assessed valuation of a principal residence due to an improvement made on the principal residence, unless the improvement was made solely for increased accessibility for individuals with physical disabilities.

(4) This subsection shall not apply to any increase in the assessed valuation of a principal residence after the conveyance of the principal residence to another individual who is not a qualified taxpayer. The assessed valuation of such principal residence shall be the assessed valuation as provided in subsections 1 to 15 of this section in the next annual assessment.

(5) Upon reaching sixty-five years of age, information regarding the age of property owners subject to this subsection shall be provided to the county assessor by affidavit of the owner of the real property before the next assessment is conducted. Any qualified taxpayer who is disabled or becomes disabled before the next assessment is conducted shall provide proof of disability to the county assessor.

(6) All revenue losses of any political subdivision resulting from the limitation on assessed valuations contained in this subsection shall be reimbursed to those political subdivisions by the state of Missouri through appropriations. Data substantiating such revenue losses shall be provided to the state auditor in such form as shall be prescribed by the state auditor by rule promulgated under chapter 536, RSMo. The required data shall be submitted for each political subdivision levying a property tax and shall be submitted

194 by either the county or the individual taxing authority as requested by the state auditor.
195 Calculation or verification of the revenue loss shall be determined by the state auditor
196 subsequent to the annual property tax rate review completed under section 137.073. All
197 data and documents substantiating the revenue loss for each political subdivision shall be
198 copied to each county clerk respectively, and shall be retained and made available for
199 public inspection by the county for a minimum of three years.

200 (7) The state auditor may promulgate rules to implement the provisions of this
201 subsection. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
202 that is created under the authority delegated in this section shall become effective only if
203 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if
204 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable
205 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
206 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
207 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
208 adopted after August 28, 2006, shall be invalid and void.

209 (8) Under section 23.253, RSMo, of the Missouri Sunset Act:

210 (a) The provisions of the new program authorized under this subsection shall
211 automatically sunset six years after the effective date of this subsection unless reauthorized
212 by an act of the general assembly; and

213 (b) If such program is reauthorized, the program authorized under this subsection
214 shall automatically sunset twelve years after the effective date of the reauthorization of this
215 subsection; and

216 (c) This subsection shall terminate on September first of the calendar year
217 immediately following the calendar year in which the program authorized under this
218 subsection is sunset.

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