

SECOND REGULAR SESSION

# HOUSE BILL NO. 1671

## 93RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE NOLTE.

Read 1st time February 2, 2006 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

4527L.01I

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### AN ACT

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

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*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Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows: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 required by this chapter to list property, and require the person to make a correct statement of all

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.

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

122 of this section. Mere observation of the property via a "drive-by inspection" or the like shall not  
123 be considered sufficient to constitute a physical inspection as required by this section.

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

126 14. A county or city collector may accept credit cards as proper form of payment of  
127 outstanding property tax or license due. No county or city collector may charge surcharge for  
128 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,  
129 processor, or issuer for its service. A county or city collector may accept payment by electronic  
130 transfers of funds in payment of any tax or license and charge the person making such payment  
131 a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic  
132 payment.

133 15. [The provisions of this section and sections 137.073, 138.060 and 138.100, RSMo,  
134 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session,  
135 shall become effective January 1, 2003, for any taxing jurisdiction within a county with a charter  
136 form of government with greater than one million inhabitants, and the provisions of this section  
137 and sections 137.073, 138.060 and 138.100, RSMo, as enacted by house bill no. 1150 of the  
138 ninety-first general assembly, second regular session, shall become effective October 1, 2004,  
139 for all taxing jurisdictions in this state.] Any county or city not within a county in this state may,  
140 by an affirmative vote of the governing body of such county, opt out of the provisions of this  
141 section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by house bill no. 1150  
142 of the ninety-first general assembly, second regular session and section 137.073 as modified by  
143 this act, for the next year of the general reassessment, prior to January first of any year. No  
144 county or city not within a county shall exercise this opt-out provision after implementing the  
145 provisions of this section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by  
146 house bill no. 1150 of the ninety-first general assembly, second regular session and section  
147 137.073 as modified by this act, in a year of general reassessment. For the purposes of applying  
148 the provisions of this subsection, a political subdivision contained within two or more counties  
149 where at least one of such counties has opted out and at least one of such counties has not opted  
150 out shall calculate a single tax rate as in effect prior to the enactment of house bill no. 1150 of  
151 the ninety-first general assembly, second regular session. A governing body of a city not within  
152 a county or a county that has opted out under the provisions of this subsection may choose to  
153 implement the provisions of this section and sections 137.073, 138.060, and 138.100, RSMo, as  
154 enacted by house bill no. 1150 of the ninety-first general assembly, second regular session, and  
155 section 137.073 as modified by this act, for the next year of general reassessment, by an  
156 affirmative vote of the governing body prior to December thirty-first of any year.

157           **16. The governing body of any city of the third classification with more than**  
158 **twenty-six thousand three hundred but fewer than twenty-six thousand seven hundred**  
159 **inhabitants located in any county that has exercised its authority to opt out under**  
160 **subsection 15 of this section may levy separate and differing tax rates for real and personal**  
161 **property only if such city bills and collects its own property taxes or satisfies the entire cost**  
162 **of the billing and collection of such separate and differing tax rates. Such separate and**  
163 **differing rates shall not exceed such city's tax rate ceiling.**

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