

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 608
94TH GENERAL ASSEMBLY

Reported from the Special Committee on Veterans, February 21, 2007 with recommendation that House Committee Substitute for House Bill No. 608 Do Pass by Consent. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

1597L.02C

AN ACT

To repeal sections 137.100 and 137.101, RSMo, and to enact in lieu thereof two new sections relating to property exempt from taxation.

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

Section A. Sections 137.100 and 137.101, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 137.100 and 137.101, to read as follows:

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

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 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 which
22 has obtained an exemption from the payment of federal income taxes, provided the motor
23 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;

40 **(9) All property, real and personal, belonging to veterans' organizations. As used**
41 **in this section, "veterans' organization" means any organization of veterans with a**
42 **congressional charter, that is incorporated in this state, and that is exempt from taxation**
43 **under section 501(c)(19) of the Internal Revenue Code of 1986, as amended.**

137.101. 1. The activities of nationally affiliated fraternal, benevolent, [veteran,] or
2 service organizations which promote good citizenship, humanitarian activities, or improve the
3 physical, mental, and moral condition of an indefinite number of people [or] **are** purposes purely
4 charitable within the meaning of subsection 1 of section 6 of article X of the constitution and
5 local assessing authorities may exempt such portion of the real and personal property of such
6 organizations as the assessing authority may determine is utilized in purposes purely charitable
7 from the assessment, levy, and collection of taxes.

8 2. If, at any time, an assessor finally determines, after any and all hearings or rightful
9 appeals, that personal property, upon which an organization would otherwise owe taxes but for
10 the provisions of subsection 1 of this section or subdivision (5) of section 137.100, is not used
11 for purposes purely charitable, or for purposes described in subdivision (5) of section 137.100,
12 then the assessor shall notify the department of revenue of such final determination within thirty
13 days.

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