

SECOND REGULAR SESSION

# HOUSE BILL NO. 1694

## 94TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES ZWEIFEL (Sponsor), LeVOTA, CORCORAN, DARROUGH, VILLA, LIESE, QUINN (9), PAGE, WILDBERGER, SCHIEFFER, SPRENG, ROBINSON, TALBOY, GRILL, YAEGER, BAKER (25), WALSH, BURNETT, HOLSMAN, ZIMMERMAN, CHAPPELLE-NADAL, STORCH AND KUESSNER (Co-sponsors).

Read 1st time January 16, 2008 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

4086L.01I

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### AN ACT

To repeal sections 137.073, 137.180, 137.245, 137.335, 137.355, 137.490, 137.720, 138.090, 138.395, 138.430, and 139.031, RSMo, and to enact in lieu thereof eleven new sections relating to property taxation, with a penalty provision.

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

Section A. Sections 137.073, 137.180, 137.245, 137.335, 137.355, 137.490, 137.720, 138.090, 138.395, 138.430, and 139.031, RSMo, are repealed and eleven new sections enacted in lieu thereof, to be known as sections 137.073, 137.180, 137.243, 137.245, 137.335, 137.355, 137.490, 137.720, 138.090, 138.430, and 139.031, to read as follows:

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

- (1) "General reassessment", changes in value, entered in the assessor's books, of a substantial portion of the parcels of real property within a county resulting wholly or partly from reappraisal of value or other actions of the assessor or county equalization body or ordered by the state tax commission or any court;
- (2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for each purpose of taxation of property a taxing authority is authorized to levy without a vote and any tax rate authorized by election, including bond interest and sinking fund;
- (3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the provisions of this section or when a court has determined the tax rate; except that, other

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.

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, or as excess home dock city or county fees as provided in subsection  
30 4 of section 313.820, RSMo, in the immediately preceding fiscal year but not including any  
31 amount calculated to adjust for prior years. For purposes of political subdivisions which were  
32 authorized to levy a tax in the prior year but which did not levy such tax or levied a reduced rate,  
33 the term "tax revenue", as used in relation to the revision of tax levies mandated by law, shall  
34 mean the revenues equal to the amount that would have been available if the voluntary rate  
35 reduction had not been made.

36 2. Whenever changes in assessed valuation are entered in the assessor's books for any  
37 personal property, in the aggregate, or for any subclass of real property as such subclasses are  
38 established in section 4(b) of article X of the Missouri Constitution and defined in section  
39 137.016, the county clerk in all counties and the assessor of St. Louis City shall notify each  
40 political subdivision wholly or partially within the county or St. Louis City of the change in  
41 valuation of each subclass of real property, individually, and personal property, in the aggregate,  
42 exclusive of new construction and improvements. All political subdivisions shall immediately  
43 revise the applicable rates of levy for each purpose for each subclass of real property,  
44 individually, and personal property, in the aggregate, for which taxes are levied to the extent  
45 necessary to produce from all taxable property, exclusive of new construction and improvements,  
46 substantially the same amount of tax revenue as was produced in the previous year for each

47 subclass of real property, individually, and personal property, in the aggregate, except that the  
48 rate may not exceed the greater of the rate in effect in the 1984 tax year or the most recent  
49 voter-approved rate. Such tax revenue shall not include any receipts from ad valorem levies on  
50 any real property which was assessed by the assessor of a county or city in such previous year  
51 but is assessed by the assessor of a county or city in the current year in a different subclass of real  
52 property. Where the taxing authority is a school district for the purposes of revising the  
53 applicable rates of levy for each subclass of real property, the tax revenues from state-assessed  
54 railroad and utility property shall be apportioned and attributed to each subclass of real property  
55 based on the percentage of the total assessed valuation of the county that each subclass of real  
56 property represents in the current taxable year. As provided in section 22 of article X of the  
57 constitution, a political subdivision may also revise each levy to allow for inflationary  
58 assessment growth occurring within the political subdivision. The inflationary growth factor for  
59 any such subclass of real property or personal property shall be limited to the actual assessment  
60 growth in such subclass or class, exclusive of new construction and improvements, and exclusive  
61 of the assessed value on any real property which was assessed by the assessor of a county or city  
62 in the current year in a different subclass of real property, but not to exceed the consumer price  
63 index or five percent, whichever is lower. Should the tax revenue of a political subdivision from  
64 the various tax rates determined in this subsection be different than the tax revenue that would  
65 have been determined from a single tax rate as calculated pursuant to the method of calculation  
66 in this subsection prior to January 1, 2003, then the political subdivision shall revise the tax rates  
67 of those subclasses of real property, individually, and/or personal property, in the aggregate, in  
68 which there is a tax rate reduction, pursuant to the provisions of this subsection. Such revision  
69 shall yield an amount equal to such difference and shall be apportioned among such subclasses  
70 of real property, individually, and/or personal property, in the aggregate, based on the relative  
71 assessed valuation of the class or subclasses of property experiencing a tax rate reduction. Such  
72 revision in the tax rates of each class or subclass shall be made by computing the percentage of  
73 current year adjusted assessed valuation of each class or subclass with a tax rate reduction to the  
74 total current year adjusted assessed valuation of the class or subclasses with a tax rate reduction,  
75 multiplying the resulting percentages by the revenue difference between the single rate  
76 calculation and the calculations pursuant to this subsection and dividing by the respective  
77 adjusted current year assessed valuation of each class or subclass to determine the adjustment  
78 to the rate to be levied upon each class or subclass of property. The adjustment computed herein  
79 shall be multiplied by one hundred, rounded to four decimals in the manner provided in this  
80 subsection, and added to the initial rate computed for each class or subclass of property.  
81 Notwithstanding any provision of this subsection to the contrary, no revision to the rate of levy

82 for personal property shall cause such levy to increase over the levy for personal property from  
83 the prior year.

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

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

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

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

114 4. (1) In order to implement the provisions of this section and section 22 of article X of  
115 the Constitution of Missouri, the term "improvements" shall apply to both real and personal  
116 property. In order to determine the value of new construction and improvements, each county  
117 assessor shall maintain a record of real property valuations in such a manner as to identify each

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

146 (2) Each political subdivision required to revise rates of levy pursuant to this section or  
147 section 22 of article X of the Constitution of Missouri shall calculate each tax rate it is authorized  
148 to levy and, in establishing each tax rate, shall consider each provision for tax rate revision  
149 provided in this section and section 22 of article X of the Constitution of Missouri, separately  
150 and without regard to annual tax rate reductions provided in section 67.505, RSMo, and section  
151 164.013, RSMo. Each political subdivision shall set each tax rate it is authorized to levy using  
152 the calculation that produces the lowest tax rate ceiling. It is further the intent of the general  
153 assembly, pursuant to the authority of section 10(c) of article X of the Constitution of Missouri,

that the provisions of such section be applicable to tax rate revisions mandated pursuant to section 22 of article X of the Constitution of Missouri as to reestablishing tax rates as revised in subsequent years, enforcement provisions, and other provisions not in conflict with section 22 of article X of the Constitution of Missouri. Annual tax rate reductions provided in section 67.505, RSMo, and section 164.013, RSMo, shall be applied to the tax rate as established pursuant to this section and section 22 of article X of the Constitution of Missouri, unless otherwise provided by law.

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

(2) When voters approve an increase in the tax rate, the amount of the increase shall be added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate does not exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate for approval rather than describing the amount of increase in the question, the stated tax rate approved shall be the current tax rate ceiling. The increased tax rate ceiling as approved may be applied to the total assessed valuation of the political subdivision, **as most recently certified by the state tax commission on or before the date of the election in which the increase is approved**, at the setting of the next tax rate. **If a ballot question presents a phased-in tax rate increase, each increase shall be applied to the total assessed valuation of the political subdivision, as most recently certified by the state tax commission on or before the date of the election in which such phased-in tax rate increase is approved, at the setting of the next tax rate.**

(3) The governing body of any political subdivision may levy a tax rate lower than its tax rate ceiling and may, **in a nonreassessment year**, increase that lowered tax rate to a level not exceeding the tax rate ceiling without voter approval **in the manner provided under subdivision (4) of this subsection.**

(4) **In a year of general reassessment, a governing body whose tax rate is lower than its tax rate ceiling shall revise its tax rate under subsection 4 of this section as if its tax rate were at the tax rate ceiling. In a year following general reassessment, if such governing body intends to increase its tax rate, the governing body shall conduct a public hearing, and in a public meeting it shall adopt an ordinance, resolution, or policy statement justifying its action prior to setting and certifying its tax rate.**

6. (1) For the purposes of calculating state aid for public schools pursuant to section 163.031, RSMo, each taxing authority which is a school district shall determine its proposed tax

190 rate as a blended rate of the classes or subclasses of property. Such blended rate shall be  
191 calculated by first determining the total tax revenue of the property within the jurisdiction of the  
192 taxing authority, which amount shall be equal to the sum of the products of multiplying the  
193 assessed valuation of each class and subclass of property by the corresponding tax rate for such  
194 class or subclass, then dividing the total tax revenue by the total assessed valuation of the same  
195 jurisdiction, and then multiplying the resulting quotient by a factor of one hundred. Where the  
196 taxing authority is a school district, such blended rate shall also be used by such school district  
197 for calculating revenue from state-assessed railroad and utility property as defined in chapter 151,  
198 RSMo, and for apportioning the tax rate by purpose.

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

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

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

8. Whenever a taxpayer has cause to believe that a taxing authority has not complied with the provisions of this section, the taxpayer may make a formal complaint with the prosecuting attorney of the county. Where the prosecuting attorney fails to bring an action within ten days of the filing of the complaint, the taxpayer may bring a civil action pursuant to this section and institute an action as representative of a class of all taxpayers within a taxing authority if the class is so numerous that joinder of all members is impracticable, if there are questions of law or fact common to the class, if the claims or defenses of the representative parties are typical of the claims or defenses of the class, and if the representative parties will fairly and adequately protect the interests of the class. In any class action maintained pursuant to this section, the court may direct to the members of the class a notice to be published at least once each week for four consecutive weeks in a newspaper of general circulation published in the county where the civil action is commenced and in other counties within the jurisdiction of a taxing authority. The notice shall advise each member that the court will exclude him or her from the class if he or she so requests by a specified date, that the judgment, whether favorable or not, will include all members who do not request exclusion, and that any member who does not request exclusion may, if he or she desires, enter an appearance. In any class action brought pursuant to this section, the court, in addition to the relief requested, shall assess against the taxing authority found to be in violation of this section the reasonable costs of bringing the action, including reasonable attorney's fees, provided no attorney's fees shall be awarded any attorney or association of attorneys who receive public funds from any source for their services.



261 Any action brought pursuant to this section shall be set for hearing as soon as practicable after  
262 the cause is at issue.

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

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

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

137.180. Whenever any assessor shall increase the valuation of any real property he shall  
2 forthwith notify the record owner **on or before February fifteenth** of such increase **and the**  
3 **estimated tax liability likely to result from such an increase**, either in person, or by mail  
4 directed to the last known address; every such increase in assessed valuation made by the  
5 assessor shall be subject to review by the county board of equalization whereat the landowner  
6 shall be entitled to be heard, and the notice to the landowner shall so state.

137.243. To determine the "estimated tax liability" required by sections 137.180, 137.355, and 137.490, the assessor, on or before January tenth of each tax year, shall provide the county clerk with the estimated assessment book which for this purpose shall contain the expected real property values for that year and the prior year's personal property values. The county clerk shall make out an abstract of the estimated assessment book showing the aggregate amounts of different classes and subclasses of real, personal, and other tangible property and the valuations of each for each political subdivision in the county entitled to levy ad valorem taxes on property except for municipalities maintaining their own tax or assessment books. The governing body of each political subdivision or a person designated by the governing body shall use such information to informally estimate a non-binding tax levy for that year and return such estimated tax levy to the county clerk. The county clerk shall then calculate and provide to the county assessor the estimated tax liability for each real property parcel for which the assessor intends to mail a notice of increase under sections 137.180 and 137.355.

137.245. 1. The assessor, except in St. Louis City, shall make out and return to the county governing body, on or before the thirty-first day of May in every year, **provided that the assessor in any county with a charter form of government and with more than one million inhabitants shall do so by the first Monday in May**, the assessor's book, verified by an affidavit annexed thereto, in the following words:

"..... being duly sworn, makes oath and says that such person has made diligent efforts to ascertain all the taxable property being or situate, on the first day of January last past, in the county of which such person is assessor; that, so far as such person has been able to ascertain the same, it is correctly set forth in the foregoing book, in the manner and the value thereof stated therein, according to the mode required by law".

2. The clerk of the county governing body shall immediately make out an abstract of the assessment book, showing aggregate footings of the different columns, so as to set forth the aggregate amounts of the different kinds of real and tangible personal property and the valuation thereof, and forward the abstract to the state tax commission. Failure of the clerk to make out and forward the abstract to the state tax commission on or before the twentieth day of June is a misdemeanor.

3. The clerk of the county governing body in all counties, and the assessor in St. Louis City, shall make out an abstract of the assessment book showing the aggregate amounts of different kinds of real, personal and other tangible property and the valuations of each for each political subdivision in the county entitled to levy ad valorem taxes on property except for municipalities maintaining their own tax or assessment books. The clerk of each county, and the assessor in St. Louis City, shall forward a copy of the aggregate valuation listed in the tax book

23 for each political subdivision, except counties and municipalities maintaining their own tax or  
24 assessment books, to the governing body of the subdivision by the first day of July of each year.  
25 In any county which contains a city with a population of one hundred thousand or more  
26 inhabitants which is located within a county of the first classification that adjoins no other county  
27 of the first classification, the clerk of the county shall provide the final revised assessed valuation  
28 listed in the tax book for each school district within the county to each such district on or before  
29 the fifteenth day of August of each year. The clerk of any county of the first classification with  
30 a charter form of government and with more than six hundred thousand but less than seven  
31 hundred thousand inhabitants shall forward a copy of the aggregate valuation listed in the tax  
32 book for school districts within the county to each such district by the fifteenth day of June of  
33 each year.

137.335. The state tax commission shall design the necessary assessment blanks, which  
2 shall contain a classification of all tangible personal property, and the blanks shall be furnished  
3 to the county assessor sixty days before January first of each year. After receiving the form of  
4 the assessment blanks, the assessor or his deputies shall, between the first day of January and the  
5 fifteenth day of May of each year, unless the time be extended for good cause shown by order  
6 of the county commission for a period expiring not later than May thirty-first, make and  
7 complete a list of all real and tangible personal property taxable by the county and assess the  
8 property at its true value in money, **except that in any county with a charter form of**  
9 **government and with more than one million inhabitants, the assessor or his or her deputies**  
10 **shall do so by May first and no extension shall be granted.**

137.355. If an assessor increases the valuation of any tangible personal property as  
2 estimated in the itemized list furnished to the assessor, and if an assessor increases the valuation  
3 of any real property, [he] **the assessor, on or before February fifteenth,** shall [forthwith] notify  
4 the record owner of the increase **and, for any increase in real property, also notify the record**  
5 **owner of the estimated tax liability likely to result from such an increase** either in person or  
6 by mail directed to the last known address, and if the address of the owner is unknown notice  
7 shall be given by publication in two newspapers published in the county.

137.490. The assessor, or his deputies under his direction, shall assess all the taxable real  
2 property within the city and all tangible personal property taxable by the city under the laws of  
3 this state in the manner provided in sections 137.485 to 137.550 and as otherwise provided by  
4 law, and for that purpose the assessor may divide and assign the work or any of it among them.  
5 They shall commence their assessment on the first day of January in each year and complete the  
6 assessment, and the deputies make their final reports thereof to the assessor, on or before the first  
7 day of April next following. The assessor shall see that the assessment is made uniform and  
8 equal throughout the city. If the assessor proposes to increase any assessment of real property,

9 he shall give notice of the fact **and of the estimated tax liability likely to result from such an**  
10 **increase** to the person owning the property affected, his agent or representative, by personal  
11 notice, or by mail directed to the last known address.

137.720. 1. A percentage of all ad valorem property tax collections allocable to each  
2 taxing authority within the county and the county shall be deducted from the collections of taxes  
3 each year and shall be deposited into the assessment fund of the county as required pursuant to  
4 section 137.750. The percentage shall be one-half of one percent for all counties of the first and  
5 second classification and cities not within a county and one percent for counties of the third and  
6 fourth classification.

7 2. For counties of the first classification, counties with a charter form of government, and  
8 any city not within a county, an additional one-eighth of one percent of all ad valorem property  
9 tax collections shall be deducted from the collections of taxes each year and shall be deposited  
10 into the assessment fund of the county as required pursuant to section 137.750, and for counties  
11 of the second, third, and fourth classification, an additional one-quarter of one percent of all ad  
12 valorem property tax collections shall be deducted from the collections of taxes each year and  
13 shall be deposited into the assessment fund of the county as required pursuant to section 137.750,  
14 provided that such additional amounts shall not exceed one hundred thousand dollars in any year  
15 for any county of the first classification and any county with a charter form of government and  
16 fifty thousand dollars in any year for any county of the second, third, or fourth classification.

17 3. The county shall bill any taxing authority collecting its own taxes. The county may  
18 also provide additional moneys for the fund. To be eligible for state cost-share funds provided  
19 pursuant to section 137.750, every county shall provide from the county general revenue fund  
20 an amount equal to an average of the three most recent years of the amount provided from  
21 general revenue to the assessment fund; provided, however, that capital expenditures and  
22 equipment expenses identified in a memorandum of understanding signed by the county's  
23 governing body and the county assessor prior to transfer of county general revenue funds to the  
24 assessment fund shall be deducted from a year's contribution before computing the three-year  
25 average, except that a lesser amount shall be acceptable if unanimously agreed upon by the  
26 county assessor, the county governing body, and the state tax commission. The county shall  
27 deposit the county general revenue funds in the assessment fund as agreed to in its original or  
28 amended maintenance plan[.]. State reimbursement funds shall be withheld until the amount  
29 due is properly deposited in such fund.

30 4. [Four years following the effective date, the state tax commission shall conduct a  
31 study to determine the impact of increased fees on assessed valuation.

32 5.] Any [increase to the portion of] property tax collections deposited into the county  
33 assessment funds provided for in subsection 2 of this section shall be [disallowed] **forfeited and**

34 **returned proportionately by the county to the political subdivisions** in any year in which the  
35 state tax commission [certifies an equivalent sales ratio for the county of less than or equal to  
36 thirty-one and two-thirds percent pursuant to the provisions of section 138.395, RSMo] **notifies**  
37 **the county that state assessment reimbursement funds have been withheld from the county**  
38 **for three consecutive quarters due to non-compliance by the assessor or county commission**  
39 **with the county's assessment maintenance plan. If such funds for the year were spent prior**  
40 **to the notification by the state tax commission, the county shall take an equivalent amount**  
41 **from the subsequent year's collections provided for in subsection 2 of this section and**  
42 **return it proportionately to the political subdivisions.**

43 [6.] **5.** The provisions of subsections 2[, 4, and 5] **and 4** of this section shall expire on  
44 December 31, [2009] **2015.**

138.090. 1. Except as provided in subsection 2 of this section, the county board of  
2 equalization in first class counties shall meet on the first Monday in June of each year, **except**  
3 **in any county with a charter form of government and with more than one million**  
4 **inhabitants, where the board of equalization shall meet on the second Monday in May.**

5 2. Upon a finding by the board that it is necessary in order to fairly hear all cases arising  
6 from a general reassessment, the board may begin meeting after May thirty-first in any applicable  
7 year to timely consider any appeal or complaint resulting from an evaluation made during a  
8 general reassessment of all taxable real property and possessory interests in the county. There  
9 shall be no presumption that the assessor's valuation is correct.

138.430. 1. Every owner of real property or tangible personal property shall have the  
2 right to appeal from the local boards of equalization to the state tax commission under rules  
3 prescribed by the state tax commission, within the time prescribed in this chapter or thirty days  
4 following the final action of the local board of equalization, whichever date later occurs,  
5 concerning all questions and disputes involving the assessment against such property, the correct  
6 valuation to be placed on such property, the method or formula used in determining the valuation  
7 of such property, or the assignment of a discriminatory assessment to such property. The  
8 commission shall investigate all such appeals and shall correct any assessment or valuation  
9 which is shown to be unlawful, unfair, improper, arbitrary or capricious. Any person aggrieved  
10 by the decision of the commission may seek review as provided in chapter 536, RSMo.

11 2. In order to investigate such appeals, the commission may inquire of the owner of the  
12 property or of any other party to the appeal regarding any matter or issue relevant to the  
13 valuation, subclassification or assessment of the property. The commission may make its  
14 decision regarding the assessment or valuation of the property based solely upon its inquiry and  
15 any evidence presented by the parties to the commission, or based solely upon evidence  
16 presented by the parties to the commission.

17           3. Every owner of real property or tangible personal property shall have the right to  
18 appeal to the circuit court of the county in which the collector maintains his office, from the  
19 decision of the local board of equalization not later than thirty days after the final decision of the  
20 board of equalization concerning all questions and disputes involving the exclusion or exemption  
21 of such property from assessment or from the tax rolls pursuant to the Constitution of the United  
22 States or the constitution or laws of this state, or of the taxable situs of such property. The appeal  
23 shall be as a trial de novo in the manner prescribed for nonjury civil proceedings. **Upon the**  
24 **timely filing of the appeal, the clerk of the circuit court shall send to the county collector**  
25 **to whom the taxes on the property involved would be due a notice that an appeal seeking**  
26 **exemption has been filed, which notice shall contain the name of the taxpayer, the case**  
27 **number assigned by the court, and the parcel or locator number of the property being**  
28 **appealed. The notice to the collector shall state that the taxes in dispute are to be**  
29 **impounded in accordance with subsection 2 of section 139.031, RSMo.**

30           4. Upon the timely filing of an appeal as provided in this section, the state tax  
31 commission [or the clerk of the circuit court, as applicable,] shall send to the county collector  
32 to whom the taxes on the property involved would be due, a notice that an appeal has been filed,  
33 which notice shall contain the name [and address] of the taxpayer filing the appeal, **the appeal**  
34 **number assigned by the commission, the parcel or locator number of the property being**  
35 **appealed, the assessed value by the board of equalization and the assessed value proposed**  
36 **by the taxpayer, if such values have been provided to the commission when the appeal is**  
37 **filed. The notice to the collector shall state that the taxes in dispute are to be impounded**  
38 **in accordance with subsection 2 of section 139.031, RSMo. Notice to the collector of an**  
39 **appeal filed in an odd numbered year shall also serve as notice to the collector to impound**  
40 **taxes for the following even numbered year if no decision has been rendered in the appeal.**

41           5. If the circuit court, after review of the appeal, finds that the appeal is not a proper  
42 subject for the appeal to the circuit court as provided in subsection 3 of this section, it shall  
43 transfer the appeal to the state tax commission for consideration.

44           6. If an assessor classifies real property under a classification that is contrary to or in  
45 conflict with a determination by the state tax commission or a court of competent jurisdiction  
46 of said property, the taxpayer shall be awarded costs of appeal and reasonable attorney's fees on  
47 a challenge of the assessor's determination.

139.031. 1. Any taxpayer may protest all or any part of any current taxes assessed  
2 against the taxpayer, except taxes collected by the director of revenue of Missouri. Any such  
3 taxpayer desiring to pay any current taxes under protest shall, at the time of paying such taxes,  
4 file with the collector a written statement setting forth the grounds on which the protest is based.  
5 The statement shall include the true value in money claimed by the taxpayer if disputed.

6           2. **A taxpayer who has filed an appeal from a local board of equalization under**  
7 **section 138.430, RSMo, to the state tax commission or the circuit court is not required to**  
8 **file a statement of protest as set forth in subsection 1 of this section.** Upon receiving  
9 payment of current taxes under protest pursuant to subsection 1 of this section or upon receiving  
10 notice of an appeal **from the state tax commission or the circuit court** pursuant to section  
11 138.430, RSMo, the collector shall disburse to the proper official all portions of taxes not  
12 **protested or not** disputed by the taxpayer and shall impound in a separate fund all portions of  
13 such taxes which are **protested or** in dispute. [Except as provided in subsection 3 of this  
14 section,] Every taxpayer protesting the payment of current taxes **under subsection 1 of this**  
15 **section** shall, within ninety days after filing his protest, commence an action against the collector  
16 by filing a petition for the recovery of the amount protested in the circuit court of the county in  
17 which the collector maintains his office. If any taxpayer so protesting his taxes **under**  
18 **subsection 1 of this section** shall fail to commence an action in the circuit court for the recovery  
19 of the taxes protested within the time prescribed in this subsection, such protest shall become  
20 null and void and of no effect, and the collector shall then disburse to the proper official the taxes  
21 impounded, and any interest earned thereon, as provided above in this subsection.

22           3. No action against the collector shall be commenced by any taxpayer who has, for the  
23 current tax year in issue, filed with the state tax commission **or the circuit court** a timely and  
24 proper appeal of the [protested taxes. Such taxpayer shall notify the collector of the appeal in  
25 the written statement required by subsection 1 of this section] **assessment of the taxpayer's**  
26 **property.** The **portion of** taxes [so protested] **in dispute from an appeal of an assessment**  
27 shall be impounded in a separate fund and the commission **or the circuit court** may order all or  
28 any part of such taxes refunded to the taxpayer, or may authorize the collector to release and  
29 disburse all or any part of such taxes in its decision and order issued pursuant to chapter 138,  
30 RSMo.

31           4. Trial of the action, **for recovery of taxes protested under subsection 1 of this**  
32 **section,** in the circuit court shall be in the manner prescribed for nonjury civil proceedings, and,  
33 after determination of the issues, the court shall make such orders as may be just and equitable  
34 to refund to the taxpayer all or any part of the current taxes paid under protest, together with any  
35 interest earned thereon, or to authorize the collector to release and disburse all or any part of the  
36 impounded taxes, and any interest earned thereon, to the appropriate officials of the taxing  
37 authorities. Either party to the proceedings may appeal the determination of the circuit court.

38           5. All the county collectors of taxes, and the collector of taxes in any city not within a  
39 county, shall, upon written application of a taxpayer, refund or credit against the taxpayer's tax  
40 liability in the following taxable year and subsequent consecutive taxable years until the taxpayer  
41 has received credit in full for any real or personal property tax mistakenly or erroneously levied

42 against the taxpayer and collected in whole or in part by the collector. Such application shall be  
43 filed within three years after the tax is mistakenly or erroneously paid. The governing body, or  
44 other appropriate body or official of the county or city not within a county, shall make available  
45 to the collector funds necessary to make refunds under this subsection by issuing warrants upon  
46 the fund to which the mistaken or erroneous payment has been credited, or otherwise.

47 6. No taxpayer shall receive any interest on any money paid in by the taxpayer  
48 erroneously.

49 7. All protested taxes **impounded under protest under subsection 1 of this section**  
50 **and all disputed taxes impounded under notice as required by section 138.430, RSMo**, shall  
51 be invested by the collector in the same manner as assets specified in section 30.260, RSMo, for  
52 investment of state moneys. A taxpayer who is entitled to a refund of protested **or disputed**  
53 taxes shall also receive the interest earned on the investment thereof. If the collector is ordered  
54 to release and disburse all or part of the taxes paid under protest **or dispute** to the proper official,  
55 such taxes shall be disbursed along with the proportional amount of interest earned on the  
56 investment of the taxes due the particular taxing authority.

57 8. On or before March first next following the delinquent date of taxes paid under  
58 protest, the county collector shall notify any taxing authority of the taxes paid under protest **and**  
59 **disputed taxes** which would be received by such taxing authority if the funds were not the  
60 subject of a protest **or dispute**. Any taxing authority may apply to the circuit court of the county  
61 or city not within a county in which a collector has impounded protested **or disputed** taxes under  
62 this section and, upon a satisfactory showing that such taxing authority would receive such  
63 impounded tax funds if they were not the subject of a protest **or dispute** and that such taxing  
64 authority has the financial ability and legal capacity to repay such impounded tax funds in the  
65 event a decision ordering a refund to the taxpayer is subsequently made, the circuit court shall  
66 order, pendente lite, the disbursement of all or any part of such impounded tax funds to such taxing  
67 authority. The circuit court issuing an order under this subsection shall retain jurisdiction of such  
68 matter for further proceedings, if any, to compel restitution of such tax funds to the taxpayer.  
69 In the event that any protested **or disputed** tax funds refunded to a taxpayer were disbursed to  
70 a taxing authority under this subsection instead of being held and invested by the collector under  
71 subsection 7 of this section, such taxing authority shall pay the taxpayer entitled to the refund  
72 of such protested **or disputed** taxes the same amount of interest, as determined by the circuit  
73 court having jurisdiction in the matter, such protested **or disputed** taxes would have earned if  
74 they had been held and invested by the collector.

75 9. No appeal filed shall stay any order of refund, but the decision filed by any court of  
76 last review modifying the circuit court's or state tax commission's determination pertaining to  
77 the amount of refund shall be binding on the parties, and the decision rendered shall be complied



78 with by the party affected by any modification within ninety days of the date of such decision.  
79 No taxpayer shall receive any interest on any additional award of refund, and the collector shall  
80 not receive any interest on any ordered return of refund in whole or in part.

2 [138.395. The state tax commission shall notify each school district of  
3 the equivalent sales ratio for the previous year adopted for determining the  
4 equalized assessed valuation of the property and the equalized operating levy of  
5 the school district for distributions of school foundation formula funds at least  
6 thirty days prior to the certification of such ratio to the department of elementary  
7 and secondary education, and shall provide the school district an opportunity for  
8 a meeting with the commission, or a duly authorized agent thereof, on such ratio  
9 prior to such certification. Prior to January 1, 1997, in certifying said ratios to the  
10 department of elementary and secondary education, the commission shall certify  
11 all ratios at thirty-three and one-third percent. On and after January 1, 1997, in  
12 certifying such ratios to the department of elementary and secondary education,  
13 the commission shall certify all ratios higher than thirty-one and two-thirds  
14 percent at thirty-three and one-third percent. On and after January 1, 1998, if the  
15 state tax commission, after performing the computation of equivalent sales ratio  
16 for the county and recomputing such computation to ensure accuracy, finds that  
17 such equivalent sales ratio for the county is less than or equal to thirty-one and  
18 two-thirds percent, the state tax commission shall reduce the county's  
19 reimbursement by fifteen percent the following year if it is not corrected by  
subsequent action of the state tax commission.]

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