

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1836**  
**94TH GENERAL ASSEMBLY**

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Reported from the Special Committee on Job Creation and Economic Development February 27, 2008 with recommendation that House Committee Substitute for House Bill No. 1836 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

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**AN ACT**

To repeal sections 137.115 and 137.1018, RSMo, and to enact in lieu thereof two new sections relating to assessment and levy of property taxes.

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

Section A. Sections 137.115 and 137.1018, RSMo, are repealed and two new sections  
2 enacted in lieu thereof, to be known as sections 137.115 and 137.1018, to read as follows:

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's  
2 deputies in all counties of this state including the city of St. Louis shall annually make a list of  
3 all real and tangible personal property taxable in the assessor's city, county, town or district.  
4 Except as otherwise provided in subsection 3 of this section and section 137.078, the assessor  
5 shall annually assess all personal property at thirty-three and one-third percent of its true value  
6 in money as of January first of each calendar year. The assessor shall annually assess all real  
7 property, including any new construction and improvements to real property, and possessor  
8 interests in real property at the percent of its true value in money set in subsection 5 of this  
9 section. **The true value in money of any possessor interest in real property in subclass (3),**  
10 **where such real property is on or adjacent to a commercial airport having a FAR Part 139**  
11 **certification and owned by a political subdivision, shall be the otherwise applicable true**  
12 **value in money of any such possessor interest in real property, less the total dollar amount**  
13 **of costs paid by a party, other than the political subdivision, towards any new construction**  
14 **or improvements on such real property and which are included in the above-mentioned**

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 **possessor interest, regardless of the year in which such costs were incurred or whether such**  
16 **costs were considered in any prior year.** The assessor shall annually assess all real property  
17 in the following manner: new assessed values shall be determined as of January first of each  
18 odd-numbered year and shall be entered in the assessor's books; those same assessed values shall  
19 apply in the following even-numbered year, except for new construction and property  
20 improvements which shall be valued as though they had been completed as of January first of  
21 the preceding odd-numbered year. The assessor may call at the office, place of doing business,  
22 or residence of each person required by this chapter to list property, and require the person to  
23 make a correct statement of all taxable tangible personal property owned by the person or under  
24 his or her care, charge or management, taxable in the county. On or before January first of each  
25 even-numbered year, the assessor shall prepare and submit a two-year assessment maintenance  
26 plan to the county governing body and the state tax commission for their respective approval or  
27 modification. The county governing body shall approve and forward such plan or its alternative  
28 to the plan to the state tax commission by February first. If the county governing body fails to  
29 forward the plan or its alternative to the plan to the state tax commission by February first, the  
30 assessor's plan shall be considered approved by the county governing body. If the state tax  
31 commission fails to approve a plan and if the state tax commission and the assessor and the  
32 governing body of the county involved are unable to resolve the differences, in order to receive  
33 state cost-share funds outlined in section 137.750, the county or the assessor shall petition the  
34 administrative hearing commission, by May first, to decide all matters in dispute regarding the  
35 assessment maintenance plan. Upon agreement of the parties, the matter may be stayed while  
36 the parties proceed with mediation or arbitration upon terms agreed to by the parties. The final  
37 decision of the administrative hearing commission shall be subject to judicial review in the  
38 circuit court of the county involved. In the event a valuation of subclass (1) real property within  
39 any county with a charter form of government, or within a city not within a county, is made by  
40 a computer, computer-assisted method or a computer program, the burden of proof, supported  
41 by clear, convincing and cogent evidence to sustain such valuation, shall be on the assessor at  
42 any hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be  
43 a presumption that the assessment was made by a computer, computer-assisted method or a  
44 computer program. Such evidence shall include, but shall not be limited to, the following:

45 (1) The findings of the assessor based on an appraisal of the property by generally  
46 accepted appraisal techniques; and

47 (2) The purchase prices from sales of at least three comparable properties and the address  
48 or location thereof. As used in this [paragraph] **subdivision**, the word "comparable" means that:

49 (a) Such sale was closed at a date relevant to the property valuation; and

50 (b) Such properties are not more than one mile from the site of the disputed property,  
51 except where no similar properties exist within one mile of the disputed property, the nearest  
52 comparable property shall be used. Such property shall be within five hundred square feet in size  
53 of the disputed property, and resemble the disputed property in age, floor plan, number of rooms,  
54 and other relevant characteristics.

55 2. Assessors in each county of this state and the city of St. Louis may send personal  
56 property assessment forms through the mail.

57 3. The following items of personal property shall each constitute separate subclasses of  
58 tangible personal property and shall be assessed and valued for the purposes of taxation at the  
59 following percentages of their true value in money:

60 (1) Grain and other agricultural crops in an unmanufactured condition, one-half of one  
61 percent;

62 (2) Livestock, twelve percent;

63 (3) Farm machinery, twelve percent;

64 (4) Motor vehicles which are eligible for registration as and are registered as historic  
65 motor vehicles pursuant to section 301.131, RSMo, and aircraft which are at least twenty-five  
66 years old and which are used solely for noncommercial purposes and are operated less than fifty  
67 hours per year or aircraft that are home built from a kit, five percent;

68 (5) Poultry, twelve percent; and

69 (6) Tools and equipment used for pollution control and tools and equipment used in  
70 retooling for the purpose of introducing new product lines or used for making improvements to  
71 existing products by any company which is located in a state enterprise zone and which is  
72 identified by any standard industrial classification number cited in subdivision (6) of section  
73 135.200, RSMo, twenty-five percent.

74 4. The person listing the property shall enter a true and correct statement of the property,  
75 in a printed blank prepared for that purpose. The statement, after being filled out, shall be signed  
76 and either affirmed or sworn to as provided in section 137.155. The list shall then be delivered  
77 to the assessor.

78 5. All subclasses of real property, as such subclasses are established in section 4(b) of  
79 article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the  
80 following percentages of true value:

81 (1) For real property in subclass (1), nineteen percent;

82 (2) For real property in subclass (2), twelve percent; and

83 (3) For real property in subclass (3), thirty-two percent.

84 6. Manufactured homes, as defined in section 700.010, RSMo, which are actually used  
85 as dwelling units shall be assessed at the same percentage of true value as residential real

86 property for the purpose of taxation. The percentage of assessment of true value for such  
87 manufactured homes shall be the same as for residential real property. If the county collector  
88 cannot identify or find the manufactured home when attempting to attach the manufactured home  
89 for payment of taxes owed by the manufactured home owner, the county collector may request  
90 the county commission to have the manufactured home removed from the tax books, and such  
91 request shall be granted within thirty days after the request is made; however, the removal from  
92 the tax books does not remove the tax lien on the manufactured home if it is later identified or  
93 found. A manufactured home located in a manufactured home rental park, rental community or  
94 on real estate not owned by the manufactured home owner shall be considered personal property.  
95 A manufactured home located on real estate owned by the manufactured home owner may be  
96 considered real property.

97         7. Each manufactured home assessed shall be considered a parcel for the purpose of  
98 reimbursement pursuant to section 137.750, unless the manufactured home has been converted  
99 to real property in compliance with section 700.111, RSMo, and assessed as a realty  
100 improvement to the existing real estate parcel.

101         8. Any amount of tax due and owing based on the assessment of a manufactured home  
102 shall be included on the personal property tax statement of the manufactured home owner unless  
103 the manufactured home has been converted to real property in compliance with section 700.111,  
104 RSMo, in which case the amount of tax due and owing on the assessment of the manufactured  
105 home as a realty improvement to the existing real estate parcel shall be included on the real  
106 property tax statement of the real estate owner.

107         9. The assessor of each county and each city not within a county shall use the trade-in  
108 value published in the October issue of the National Automobile Dealers' Association Official  
109 Used Car Guide, or its successor publication, as the recommended guide of information for  
110 determining the true value of motor vehicles described in such publication. In the absence of a  
111 listing for a particular motor vehicle in such publication, the assessor shall use such information  
112 or publications which in the assessor's judgment will fairly estimate the true value in money of  
113 the motor vehicle.

114         10. Before the assessor may increase the assessed valuation of any parcel of subclass (1)  
115 real property by more than fifteen percent since the last assessment, excluding increases due to  
116 new construction or improvements, the assessor shall conduct a physical inspection of such  
117 property.

118         11. If a physical inspection is required, pursuant to subsection 10 of this section, the  
119 assessor shall notify the property owner of that fact in writing and shall provide the owner clear  
120 written notice of the owner's rights relating to the physical inspection. If a physical inspection  
121 is required, the property owner may request that an interior inspection be performed during the

122 physical inspection. The owner shall have no less than thirty days to notify the assessor of a  
123 request for an interior physical inspection.

124 12. A physical inspection, as required by subsection 10 of this section, shall include, but  
125 not be limited to, an on-site personal observation and review of all exterior portions of the land  
126 and any buildings and improvements to which the inspector has or may reasonably and lawfully  
127 gain external access, and shall include an observation and review of the interior of any buildings  
128 or improvements on the property upon the timely request of the owner pursuant to subsection 11  
129 of this section. Mere observation of the property via a "drive-by inspection" or the like shall not  
130 be considered sufficient to constitute a physical inspection as required by this section.

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

133 14. A county or city collector may accept credit cards as proper form of payment of  
134 outstanding property tax or license due. No county or city collector may charge surcharge for  
135 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,  
136 processor, or issuer for its service. A county or city collector may accept payment by electronic  
137 transfers of funds in payment of any tax or license and charge the person making such payment  
138 a fee equal to the fee charged the county by the bank, processor, or issuer of such electronic  
139 payment.

140 15. Any county or city not within a county in this state may, by an affirmative vote of  
141 the governing body of such county, opt out of the provisions of this section and sections 137.073,  
142 138.060, and 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first general  
143 assembly, second regular session and section 137.073 as modified by [this act] **house committee**  
144 **substitute for senate substitute for senate committee substitute for senate bill no. 960,**  
145 **ninety-second general assembly, second regular session,** for the next year of the general  
146 reassessment, prior to January first of any year. No county or city not within a county shall  
147 exercise this opt-out provision after implementing the provisions of this section and sections  
148 137.073, 138.060, and 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first  
149 general assembly, second regular session and section 137.073 as modified by [this act] **house**  
150 **committee substitute for senate substitute for senate committee substitute for senate bill**  
151 **no. 960, ninety-second general assembly, second regular session,** in a year of general  
152 reassessment. For the purposes of applying the provisions of this subsection, a political  
153 subdivision contained within two or more counties where at least one of such counties has opted  
154 out and at least one of such counties has not opted out shall calculate a single tax rate as in effect  
155 prior to the enactment of house bill no. 1150 of the ninety-first general assembly, second regular  
156 session. A governing body of a city not within a county or a county that has opted out under the  
157 provisions of this subsection may choose to implement the provisions of this section and sections

158 137.073, 138.060, and 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first  
159 general assembly, second regular session, and section 137.073 as modified by [this act] **house**  
160 **committee substitute for senate substitute for senate committee substitute for senate bill**  
161 **no. 960, ninety-second general assembly, second regular session**, for the next year of general  
162 reassessment, by an affirmative vote of the governing body prior to December thirty-first of any  
163 year.

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

137.1018. 1. The commission shall ascertain the statewide average rate of property taxes  
2 levied the preceding year, based upon the total assessed valuation of the railroad and street  
3 railway companies and the total property taxes levied upon the railroad and street railway  
4 companies. It shall determine total property taxes levied from reports prescribed by the  
5 commission from the railroad and street railway companies. Total taxes levied shall not include  
6 revenues from the surtax on subclass three real property.

7 2. The commission shall report its determination of average property tax rate for the  
8 preceding year, together with the taxable distributable assessed valuation of each freight line  
9 company for the current year to the director no later than October first of each year.

10 3. Taxes on property of such freight line companies shall be collected at the state level  
11 by the director on behalf of the counties and other local public taxing entities and shall be  
12 distributed in accordance with sections 137.1021 and 137.1024. The director shall tax such  
13 property based upon the distributable assessed valuation attributable to Missouri of each freight  
14 line company, using the average tax rate for the preceding year of the railroad and street railway  
15 companies certified by the commission. Such tax shall be due and payable on or before  
16 December thirty-first of the year levied and, if it becomes delinquent, shall be subject to a penalty  
17 equal to that specified in section 140.100, RSMo.

18 **4. (1) As used in this subsection, the following terms mean:**

19 (a) "Eligible expenses", expenses incurred in this state to manufacture, maintain,  
20 or improve a freight line company's qualified rolling stock;

21 (b) "Qualified rolling stock", any freight, stock, refrigerator, or other railcars  
22 subject to the tax levied under this section.

23           (2) For all taxable years beginning on or after January 1, 2009, a freight line  
24 company shall be allowed a credit against the tax levied under this section for the  
25 applicable tax year. The tax credit amount shall be equal to the amount of eligible  
26 expenses incurred during the calendar year immediately preceding the tax year for which  
27 the credit under this section is claimed. The amount of the tax credit issued shall not  
28 exceed the freight line company's liability for the tax levied under this section for the tax  
29 year for which the credit is claimed.

30           (3) A freight line company may apply for the credit by submitting to the  
31 commission an application in the form prescribed by the state tax commission.

32           (4) The state shall reimburse, on an annual basis, any political subdivision of this  
33 state for any decrease in revenue due to the provisions of this section.

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