

SECOND REGULAR SESSION

HOUSE BILL NO. 2347

94TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES SCHNEIDER (Sponsor), MEINERS, FISHER, AVERY,
FUNDERBURK, YOUNG, BIVINS, DUSENBERG, SCHOELLER, KASTEN,
DOUGHERTY AND SCHIEFFER (Co-sponsors).

Read 1st time March 5, 2008 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

5249L.011

AN ACT

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

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Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows: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

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.

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

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

40 (2) The purchase prices from sales of at least three comparable properties and the address
41 or location thereof. As used in this [paragraph] **subdivision**, 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 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 **(7) Vehicles that are modified to transport persons who are physically disabled as**
68 **defined in section 301.142, RSMo, if such vehicle is medically necessary to transport the**
69 **owner's physically disabled family member or the owner of the vehicle if such owner is**
70 **physically disabled.**

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

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

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

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

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

81 6. Manufactured homes, as defined in section 700.010, RSMo, which are actually used
82 as dwelling units shall be assessed at the same percentage of true value as residential real
83 property for the purpose of taxation. The percentage of assessment of true value for such
84 manufactured homes shall be the same as for residential real property. If the county collector
85 cannot identify or find the manufactured home when attempting to attach the manufactured home

86 for payment of taxes owed by the manufactured home owner, the county collector may request
87 the county commission to have the manufactured home removed from the tax books, and such
88 request shall be granted within thirty days after the request is made; however, the removal from
89 the tax books does not remove the tax lien on the manufactured home if it is later identified or
90 found. A manufactured home located in a manufactured home rental park, rental community or
91 on real estate not owned by the manufactured home owner shall be considered personal property.
92 A manufactured home located on real estate owned by the manufactured home owner may be
93 considered real property.

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

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

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

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

115 11. If a physical inspection is required, pursuant to subsection 10 of this section, the
116 assessor shall notify the property owner of that fact in writing and shall provide the owner clear
117 written notice of the owner's rights relating to the physical inspection. If a physical inspection
118 is required, the property owner may request that an interior inspection be performed during the
119 physical inspection. The owner shall have no less than thirty days to notify the assessor of a
120 request for an interior physical inspection.

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

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

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

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

157 **committee substitute for senate substitute for senate committee substitute for senate bill**
158 **no. 960, ninety-second general assembly, second regular session**, for the next year of general
159 reassessment, by an affirmative vote of the governing body prior to December thirty-first of any
160 year.

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

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