

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1207
95TH GENERAL ASSEMBLY

3244L.02C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 137.016, RSMo, and to enact in lieu thereof one new section relating to classification of certain real property.

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

Section A. Section 137.016, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.016, to read as follows:

137.016. 1. As used in section 4(b) of article X of the Missouri Constitution, the following terms mean:

(1) "Agricultural and horticultural property", all real property used for agricultural purposes and devoted primarily to the raising and harvesting of crops; to the feeding, breeding and management of livestock which shall include breeding, showing, and boarding of horses; to dairying, or to any other combination thereof; and buildings and structures customarily associated with farming, agricultural, and horticultural uses. Agricultural and horticultural property shall also include land devoted to and qualifying for payments or other compensation under a soil conservation or agricultural assistance program under an agreement with an agency of the federal government. Agricultural and horticultural property shall further include land and improvements, exclusive of structures, on privately owned airports that qualify as reliever airports under the Nation Plan of Integrated Airports System, to receive federal airport improvement project funds through the Federal Aviation Administration. Real property classified as forest croplands shall not be agricultural or horticultural property so long as it is classified as forest croplands and shall be taxed in accordance with the laws enacted to implement section 7 of article X of the Missouri Constitution. **Agricultural and horticultural property shall also include any sawmill or planing mill that alters logs from their original**

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.

18 **form and defined in the U.S. Department of Labor's Standard Industrial Classification**
19 **(SIC) Manual under Industry Group 242 with the SIC numbers 2421, 2426, or 2429;**

20 (2) "Residential property", all real property improved by a structure which is used or
21 intended to be used for residential living by human occupants, vacant land in connection with
22 an airport, land used as a golf course, and manufactured home parks, but residential property
23 shall not include other similar facilities used primarily for transient housing. For the purposes
24 of this section, "transient housing" means all rooms available for rent or lease for which the
25 receipts from the rent or lease of such rooms are subject to state sales tax pursuant to subdivision
26 (6) of subsection 1 of section 144.020, RSMo;

27 (3) "Utility, industrial, commercial, railroad and other real property", all real property
28 used directly or indirectly, for any commercial, mining, industrial, manufacturing, trade,
29 professional, business, or similar purpose, including all property centrally assessed by the state
30 tax commission but shall not include floating docks, portions of which are separately owned and
31 the remainder of which is designated for common ownership and in which no one person or
32 business entity owns more than five individual units. All other real property not included in the
33 property listed in subclasses (1) and (2) of section 4(b) of article X of the Missouri Constitution,
34 as such property is defined in this section, shall be deemed to be included in the term "utility,
35 industrial, commercial, railroad and other real property".

36 2. Pursuant to article X of the state constitution, any taxing district may adjust its
37 operating levy to recoup any loss of property tax revenue, except revenues from the surtax
38 imposed pursuant to article X, subsection 2 of section 6 of the constitution, as the result of
39 changing the classification of structures intended to be used for residential living by human
40 occupants which contain five or more dwelling units if such adjustment of the levy does not
41 exceed the highest tax rate in effect subsequent to the 1980 tax year. For purposes of this
42 section, loss in revenue shall include the difference between the revenue that would have been
43 collected on such property under its classification prior to enactment of this section and the
44 amount to be collected under its classification under this section. The county assessor of each
45 county or city not within a county shall provide information to each taxing district within its
46 boundaries regarding the difference in assessed valuation of such property as the result of such
47 change in classification.

48 3. All reclassification of property as the result of changing the classification of structures
49 intended to be used for residential living by human occupants which contain five or more
50 dwelling units shall apply to assessments made after December 31, 1994.

51 4. Where real property is used or held for use for more than one purpose and such uses
52 result in different classifications, the county assessor shall allocate to each classification the
53 percentage of the true value in money of the property devoted to each use; except that, where

54 agricultural and horticultural property, as defined in this section, also contains a dwelling unit
55 or units, the farm dwelling, appurtenant residential-related structures and up to five acres
56 immediately surrounding such farm dwelling shall be residential property, as defined in this
57 section.

58 5. All real property which is vacant, unused, or held for future use; which is used for a
59 private club, a not-for-profit or other nonexempt lodge, club, business, trade, service
60 organization, or similar entity; or for which a determination as to its classification cannot be
61 made under the definitions set out in subsection 1 of this section, shall be classified according
62 to its immediate most suitable economic use, which use shall be determined after consideration
63 of:

- 64 (1) Immediate prior use, if any, of such property;
- 65 (2) Location of such property;
- 66 (3) Zoning classification of such property; except that, such zoning classification shall
67 not be considered conclusive if, upon consideration of all factors, it is determined that such
68 zoning classification does not reflect the immediate most suitable economic use of the property;
- 69 (4) Other legal restrictions on the use of such property;
- 70 (5) Availability of water, electricity, gas, sewers, street lighting, and other public services
71 for such property;
- 72 (6) Size of such property;
- 73 (7) Access of such property to public thoroughfares; and
- 74 (8) Any other factors relevant to a determination of the immediate most suitable
75 economic use of such property.

76 6. All lands classified as forest croplands shall not, for taxation purposes, be classified
77 as subclass (1), subclass (2), or subclass (3) real property, as such classes are prescribed in
78 section 4(b) of article X of the Missouri Constitution and defined in this section, but shall be
79 taxed in accordance with the laws enacted to implement section 7 of article X of the Missouri
80 Constitution.

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