

SECOND REGULAR SESSION

# HOUSE BILL NO. 1784

## 95TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES NOLTE (Sponsor), FISHER (125), WETER, SMITH (150),  
NANCE, SCHIEFFER, ATKINS AND RUESTMAN (Co-sponsors).

4554L.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

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

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*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Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows: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] **percentage** of its true value in money set in subsection 5 of this section. The true value in money of any possessory interest in real property in subclass (3), where such real property is on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a political subdivision, shall be the otherwise applicable true value in money of any such possessory interest in real property, less the total dollar amount of costs paid by a party, other than the political subdivision, towards any new construction or improvements on such real property completed after January 1, 2008, and which are included in the above-mentioned possessory interest, regardless of the year in which such costs were incurred

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.

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

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

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

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

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

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

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

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

64 (2) Livestock, twelve percent;

65 (3) Farm machinery, twelve percent;

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

70 (5) Poultry, twelve percent; and

71 (6) Tools and equipment used for pollution control and tools and equipment used in  
72 retooling for the purpose of introducing new product lines or used for making improvements to  
73 existing products by any company which is located in a state enterprise zone and which is  
74 identified by any standard industrial classification number cited in subdivision (6) of section  
75 135.200, RSMo, twenty-five percent.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

160 house bill no. 1150 of the ninety-first general assembly, second regular session, and section  
161 137.073 as modified by house committee substitute for senate substitute for senate committee  
162 substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the  
163 next year of general reassessment, by an affirmative vote of the governing body prior to  
164 December thirty-first of any year.

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

172       **17. (1) As used in this subsection, the following terms mean:**

173       (a) **"Disabled", totally and permanently disabled or blind and receiving federal**  
174 **Social Security disability benefits, federal supplemental security income benefits, veterans**  
175 **administration benefits, state blind pension under sections 209.010 to 209.160, state aid to**  
176 **blind persons under section 209.240, or state supplemental payments under section**  
177 **208.030;**

178       (b) **"Maximum upper limit", in the calendar year 2011, the federal adjusted gross**  
179 **income sum of seventy-two thousand three hundred eighty dollars; in each successive**  
180 **calendar year this amount shall be raised by the incremental increase in the general price**  
181 **level, as defined under section 17, article X, of the Missouri Constitution;**

182       (c) **"Principal residence", real property owned and occupied by or held in trust for**  
183 **a qualified taxpayer, or owned and occupied jointly by or held in trust for any individuals**  
184 **any of whom is a qualified taxpayer;**

185       (d) **"Qualified taxpayer", any individual who:**

186       a. **Owns and occupies a principal residence;**

187       b. **Is sixty-five years of age or older, or is disabled;**

188       c. **Had a federal adjusted gross income not exceeding the maximum upper limit in**  
189 **the year before becoming qualified under this subsection.**

190       **(2) Notwithstanding any other provision of law to the contrary, for all property**  
191 **assessments conducted after December 31, 2010, the assessed valuation of a principal**  
192 **residence shall not increase by a percentage greater than the percentage of increase in the**  
193 **qualified taxpayer's Social Security benefits in the previous year, except as otherwise**  
194 **provided in this subsection, in any assessment conducted after the qualified taxpayer has**  
195 **reached sixty-five years of age or has become disabled.**

196           (3) This subsection shall not apply to any increase in the assessed valuation of a  
197 principal residence due to an improvement made on the principal residence, unless the  
198 improvement was made solely for increased accessibility for individuals with physical  
199 disabilities.

200           (4) This subsection shall not apply to any increase in the assessed valuation of a  
201 principal residence after the conveyance of the principal residence to another individual  
202 who is not a qualified taxpayer. The assessed valuation of such principal residence shall  
203 be the assessed valuation as provided in subsections 1 to 16 of this section in the next  
204 annual assessment.

205           (5) Upon reaching sixty-five years of age, information regarding the age of property  
206 owners subject to this subsection shall be provided to the county assessor by affidavit of  
207 the owner of the real property before the next assessment is conducted. Any qualified  
208 taxpayer who is disabled or becomes disabled before the next assessment is conducted shall  
209 provide proof of disability to the county assessor.

210           (6) The state auditor may promulgate rules to implement the provisions of this  
211 subsection. Any rule or portion of a rule, as that term is defined in section 536.010, that  
212 is created under the authority delegated in this section shall become effective only if it  
213 complies with and is subject to all of the provisions of chapter 536 and, if applicable,  
214 section 536.028. This section and chapter 536 are nonseverable and if any of the powers  
215 vested with the general assembly pursuant to chapter 536 to review, to delay the effective  
216 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the  
217 grant of rulemaking authority and any rule proposed or adopted after August 28, 2010,  
218 shall be invalid and void.

219           (7) Under section 23.253 of the Missouri sunset act:

220           (a) The provisions of the new program authorized under this subsection shall  
221 automatically sunset on December thirty-first six years after the effective date of this  
222 subsection unless reauthorized by an act of the general assembly; and

223           (b) If such program is reauthorized, the program authorized under this subsection  
224 shall automatically sunset on December thirty-first twelve years after the effective date of  
225 the reauthorization of this subsection; and

226           (c) This subsection shall terminate on September first of the calendar year  
227 immediately following the calendar year in which the program authorized under this  
228 subsection is sunset.

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