

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute No. 2 for Senate Substitute No. 2 for Senate Committee
2 Substitute for Senate Bill No. 1050, Page 14, Section 108.120, Line 16, by inserting after all of said
3 section and line the following:
4

5 "137.010. The following words, terms and phrases when used in laws governing taxation
6 and revenue in the state of Missouri shall have the meanings ascribed to them in this section, except
7 when the context clearly indicates a different meaning:

8 (1) "Grain and other agricultural crops in an unmanufactured condition" shall mean grains
9 and feeds including, but not limited to, soybeans, cow peas, wheat, corn, oats, barley, kafir, rye,
10 flax, grain sorghums, cotton, and such other products as are usually stored in grain and other
11 elevators and on farms; but excluding such grains and other agricultural crops after being processed
12 into products of such processing, when packaged or sacked. The term "processing" shall not include
13 hulling, cleaning, drying, grating, or polishing;

14 (2) "Hydroelectric power generating equipment", very-low-head turbine generators with a
15 nameplate generating capacity of at least four hundred kilowatts but not more than six hundred
16 kilowatts and machinery and equipment used directly in the production, generation, conversion,
17 storage, or conveyance of hydroelectric power to land-based devices and appurtenances used in the
18 transmission of electrical energy;

19 (3) "Intangible personal property", for the purpose of taxation, shall include all property
20 other than real property and tangible personal property, as defined by this section;

21 (4) "Real property" includes land itself, whether laid out in town lots or otherwise, and all
22 growing crops, buildings, structures, improvements and fixtures of whatever kind thereon,
23 hydroelectric power generating equipment, the installed poles used in the transmission or reception
24 of electrical energy, audio signals, video signals or similar purposes, provided the owner of such
25 installed poles is also an owner of a fee simple interest, possessor of an easement, holder of a license
26 or franchise, or is the beneficiary of a right-of-way dedicated for public utility purposes for the
27 underlying land; attached wires, transformers, amplifiers, substations, and other such devices and
28 appurtenances used in the transmission or reception of electrical energy, audio signals, video signals
29 or similar purposes when owned by the owner of the installed poles, otherwise such items are
30 considered personal property; and stationary property used for transportation or storage of liquid
31 and gaseous products, including, but not limited to, petroleum products, natural gas, propane or LP
32 gas equipment, water, and sewage;

33 (5) "Reliever airport", any land and improvements, exclusive of structures, on privately
34 owned airports that qualify as reliever airports under the National Plan of Integrated Airports
35 System that may receive federal airport improvement project funds through the Federal Aviation
36 Administration;

Action Taken _____ Date _____

(6) "Tangible personal property" includes every tangible thing being the subject of ownership or part ownership whether animate or inanimate, other than money, and not forming part or parcel of real property as herein defined, but does not include household goods, furniture, wearing apparel and articles of personal use and adornment, as defined by the state tax commission, owned and used by a person in his home or dwelling place.

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

(1) "Residential property", all real property improved by a structure which is used or intended to be used for residential living by human occupants, vacant land in connection with an airport, land used as a golf course, manufactured home parks, bed and breakfast inns in which the owner resides and uses as a primary residence with six or fewer rooms for rent, and time-share units as defined in section 407.600, except to the extent such units are actually rented and subject to sales tax under subdivision (6) of subsection 1 of section 144.020, but residential property shall not include other similar facilities used primarily for transient housing. For the purposes of this section, "transient housing" means all rooms available for rent or lease for which the receipts from the rent or lease of such rooms are subject to state sales tax pursuant to subdivision (6) of subsection 1 of section 144.020;

(2) "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 National Plan of Integrated Airports System, to receive federal airport improvement project funds through the Federal Aviation Administration]~~ any reliever airport. 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 defined in the U.S. Department of Labor's Standard Industrial Classification (SIC) Manual under Industry Group 242 with the SIC number 2421;

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

2. Pursuant to Article X of the state constitution, any taxing district may adjust its operating levy to recoup any loss of property tax revenue, except revenues from the surtax imposed pursuant to Article X, Subsection 2 of Section 6 of the constitution, as the result of changing the classification of structures intended to be used for residential living by human occupants which contain five or more dwelling units if such adjustment of the levy does not exceed the highest tax rate in effect subsequent to the 1980 tax year. For purposes of this section, loss in revenue shall

1 include the difference between the revenue that would have been collected on such property under
 2 its classification prior to enactment of this section and the amount to be collected under its
 3 classification under this section. The county assessor of each county or city not within a county
 4 shall provide information to each taxing district within its boundaries regarding the difference in
 5 assessed valuation of such property as the result of such change in classification.

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

9 4. Where real property is used or held for use for more than one purpose and such uses
 10 result in different classifications, the county assessor shall allocate to each classification the
 11 percentage of the true value in money of the property devoted to each use; except that, where
 12 agricultural and horticultural property, as defined in this section, also contains a dwelling unit or
 13 units, the farm dwelling, appurtenant residential-related structures and up to five acres immediately
 14 surrounding such farm dwelling shall be residential property, as defined in this section. This
 15 subsection shall not apply to any reliever airport.

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

- 21 (1) Immediate prior use, if any, of such property;
- 22 (2) Location of such property;
- 23 (3) Zoning classification of such property; except that, such zoning classification shall not
 24 be considered conclusive if, upon consideration of all factors, it is determined that such zoning
 25 classification does not reflect the immediate most suitable economic use of the property;
- 26 (4) Other legal restrictions on the use of such property;
- 27 (5) Availability of water, electricity, gas, sewers, street lighting, and other public services
 28 for such property;
- 29 (6) Size of such property;
- 30 (7) Access of such property to public thoroughfares; and
- 31 (8) Any other factors relevant to a determination of the immediate most suitable economic
 32 use of such property.

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

37 137.017. 1. For general property assessment purposes, the true value in money of land
 38 which is in use as agricultural and horticultural property, as defined in section 137.016, shall be that
 39 value which such land has for agricultural or horticultural use. The true value of buildings or other
 40 structures customarily associated with farming, agricultural, and horticultural uses, excluding
 41 residential dwellings and related land, shall be added to the use value of the agricultural and
 42 horticultural land to determine the value of the agricultural and horticultural property under sections
 43 137.017 to 137.021.

44 2. After it has been established that the land is actually agricultural and horticultural
 45 property, as defined in section 137.016, and is being valued and assessed accordingly, the land shall
 46 remain in this category as long as the owner of the land complies with the provisions of sections
 47 137.017 to 137.021.

48 3. Continuance of valuation and assessment for general property taxation under the

1 provisions of sections 137.017 to 137.021 shall depend upon continuance of the land being used as
2 agricultural and horticultural property, as defined in section 137.016, and compliance with the other
3 requirements of sections 137.017 to 137.021 and not upon continuance in the same owner of title to
4 the land.

5 4. For general property assessment purposes, the true value in money of vacant and unused
6 land which is classified as agricultural and horticultural property under subsection 3 of section
7 137.016 shall be its fair market value. This subsection shall not apply to any reliever airport.

8 5. For general property assessment purposes, the true value in money of a reliever airport
9 shall be that value which such land has for agricultural or horticultural use."; and

10
11 Further amend said bill by amending the title, enacting clause, and intersectional references
12 accordingly.