

HB 2232 -- ASSESSMENT OF CERTAIN PROPERTY

SPONSOR: Reedy

This bill creates several new provisions related to the taxation of commercial property:

(1) This bill would require new or improved commercial property to be assessed and taxed on the first day of the month following the date the property is occupied or January 1st of the following year in which construction or improvements are completed in any county or city not within a county that adopts the provisions of this bill. The assessor may consider a commercial property occupied upon personal verification or if two of the following conditions are met:

- An occupancy permit has been issued for the property;

- A deed transferring ownership from one party to another has been filed with the recorder of deeds' office subsequent to the date of the first permanent utility service;

- A utility company providing service in the county has verified a transfer of service for property from one party to another;

- The person or persons occupying the newly constructed property have registered a change of address with any local, state, or federal governmental office or agency.

In implementing the provisions of this bill, the assessor may use occupancy permits, building permits, warranty deeds, utility connection documents including telephone connections, or other official documents as may be necessary to discover the existence of newly constructed properties. No utility company will refuse to provide verification monthly to the assessor of a utility connection to a newly occupied commercial property.

2) In the event that an assessment under (1) above is not completed until after the deadline for filing appeals in a given tax year, the owner of the newly constructed property may appeal this assessment the following year to the county Board of Equalization (BOE) and may pay any taxes under protest provided that the payment under protest will not be required as a condition of appealing to the county BOE. The collector will impound the protested taxes and will not disburse the taxes until resolution of the appeal.

(3) In counties that adopt (1) through (4) of the summary under the provisions of this bill, an amount not to exceed 10% of all ad

valorem property tax collections on newly constructed and occupied commercial property allocable to each taxing authority within counties of the first classification having a population of 900,000 or more, one-tenth of one percent of all ad valorem property tax collections allocable to each taxing authority within all other counties of the first classification and one-fifth of one percent of all ad valorem property tax collections allocable to each taxing authority within counties of the second, third and fourth classifications and any county of the first classification having a population of at least 82,000 inhabitants, but less than 82,100 inhabitants, in addition to the amount prescribed by Section 137.720, RSMO will be deposited into the assessment fund of the county for collection costs.

(4) For purposes of calculating the tax due on the newly constructed commercial property, the assessor or the BOE will place the full amount of the assessed valuation on the tax book upon the first day of the month following occupancy. The assessed valuation must be taxed for each month of the year following the date at its new assessed valuation, and for each month of the year preceding the date at its previous valuation. The percentage derived from dividing the number of months at which the property is taxed at its new valuation by 12 will be applied to the total assessed valuation of the new construction and improvements, and the percentage will be included in the next year's base for the purposes of calculating the next year's tax levy rollback. The untaxed percentage will be considered as new construction and improvements in the following year and will be exempt from the rollback provisions.

(5) Provisions of this bill under (1) through (4) above will be effective in any county in which the governing body of the county elects to adopt a proposal to implement the provisions. The provisions will become effective in the county on January 1st of the year following the election.

(6) In any county that adopts (1) through (4) above, under the provisions of this bill, prior to June 1st in any year under (5) above, under the provisions of this bill, the assessor of the county must, upon application of the property owner, remove on a pro rata basis from the tax book for the current year any commercial real property improvements destroyed by a natural disaster, as defined in the bill, if the property is unoccupied and uninhabitable due to the destruction. On or after the July 1st, the BOE will perform such duties. Any person claiming destroyed property must provide a list of destroyed property to the county assessor. The assessor will have available a supply of appropriate forms on which claims will be made. The assessor may verify all the destroyed property listed to ensure that the person made a correct statement. Any person who completes such a list and, with

intent to defraud, includes property on the list that was not destroyed by a natural disaster will, in addition to any other penalties provided by law, be assessed double the value of any property fraudulently listed. The list must be filed by the assessor, after he or she has provided a copy of the list to the county collector and the BOE, in the office of the county clerk who, after entering the filing thereof, will preserve and safely keep them. If the assessor, subsequent to the destruction, considers such property occupied as provided in (1) above, the assessor will consider such property new construction and improvements and will assess the property accordingly as provided in (1) above. Any political subdivision may recover the loss of revenue caused by the destruction of property under this bill by adjusting the rate of taxation, to the extent previously authorized by the voters of a political subdivision, for the tax year immediately following the year of the destruction in an amount not to exceed the loss of revenue caused by this section.