

FIRST REGULAR SESSION

HOUSE BILL NO. 259

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SANDER.

0809H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

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

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Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows: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. **(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 **paragraphs (a) to (e) of this subdivision**, 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.

(a) Beginning January 1, 2024, all personal property in any county with more than seven hundred thousand but fewer than eight hundred thousand inhabitants shall be annually assessed at a percentage of its true value in money as of January first of each calendar year as follows:

(b) Such county shall annually reduce the percentage of true value in money at which personal property is assessed under this subdivision such that the amount by which the revenue generated by taxes levied on such personal property is substantially equal to one hundred percent of the growth in revenue generated by real property assessment growth. Annual reductions shall be made under this paragraph until December 31, 2076. Beginning January 1, 2077, the percentage of true value in money

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 **at which personal property is assessed shall be equal to the percentage in effect on**
19 **December 31, 2076.**

20 **(c) The provisions of paragraph (b) of this subdivision shall not be construed to**
21 **relieve such county from adjustments to property tax levies as required by section**
22 **137.073.**

23 **(d) As used in paragraph (b) of this subdivision, "real property assessment**
24 **growth" means the growth in revenue from increases in the total assessed valuation of**
25 **all real property in such county over the revenue generated from the assessed valuation**
26 **of such real property from the previous calendar year. Real property assessment**
27 **growth shall not include any revenue in excess of the percentage increase in the**
28 **consumer price index, as described in subsection 2 of section 137.073.**

29 **(e) Notwithstanding any provision of paragraphs (a) to (e) of this subdivision to**
30 **the contrary, for the purposes of the tax levied under Article III, Section 38(b) of the**
31 **Constitution of the state of Missouri, all personal property shall be assessed at thirty-**
32 **three and one-third percent of its true value in money as of January first of each**
33 **calendar year.**

34 **(2) The assessor shall annually assess all real property, including any new**
35 **construction and improvements to real property, and possessory interests in real property at**
36 **the percent of its true value in money set in subsection 5 of this section. The true value in**
37 **money of any possessory interest in real property in subclass (3), where such real property is**
38 **on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as**
39 **defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and**
40 **owned by a political subdivision, shall be the otherwise applicable true value in money of any**
41 **such possessory interest in real property, less the total dollar amount of costs paid by a party,**
42 **other than the political subdivision, towards any new construction or improvements on such**
43 **real property completed after January 1, 2008, and which are included in the above-**
44 **mentioned possessory interest, regardless of the year in which such costs were incurred or**
45 **whether such costs were considered in any prior year. The assessor shall annually assess all**
46 **real property in the following manner: new assessed values shall be determined as of January**
47 **first of each odd-numbered year and shall be entered in the assessor's books; those same**
48 **assessed values shall apply in the following even-numbered year, except for new construction**
49 **and property improvements which shall be valued as though they had been completed as of**
50 **January first of the preceding odd-numbered year. The assessor may call at the office, place**
51 **of doing business, or residence of each person required by this chapter to list property, and**
52 **require the person to make a correct statement of all taxable tangible personal property owned**
53 **by the person or under ~~his or her~~ such person's care, charge or management, taxable in the**
54 **county. On or before January first of each even-numbered year, the assessor shall prepare and**

55 submit a two-year assessment maintenance plan to the county governing body and the state
56 tax commission for their respective approval or modification. The county governing body
57 shall approve and forward such plan or its alternative to the plan to the state tax commission
58 by February first. If the county governing body fails to forward the plan or its alternative to
59 the plan to the state tax commission by February first, the assessor's plan shall be considered
60 approved by the county governing body. If the state tax commission fails to approve a plan
61 and if the state tax commission and the assessor and the governing body of the county
62 involved are unable to resolve the differences, in order to receive state cost-share funds
63 outlined in section 137.750, the county or the assessor shall petition the administrative
64 hearing commission, by May first, to decide all matters in dispute regarding the assessment
65 maintenance plan. Upon agreement of the parties, the matter may be stayed while the parties
66 proceed with mediation or arbitration upon terms agreed to by the parties. The final decision
67 of the administrative hearing commission shall be subject to judicial review in the circuit
68 court of the county involved. In the event a valuation of subclass (1) real property within any
69 county with a charter form of government, or within a city not within a county, is made by a
70 computer, computer-assisted method or a computer program, the burden of proof, supported
71 by clear, convincing and cogent evidence to sustain such valuation, shall be on the assessor at
72 any hearing or appeal. In any such county, unless the assessor proves otherwise, there shall
73 be a presumption that the assessment was made by a computer, computer-assisted method or a
74 computer program. Such evidence shall include, but shall not be limited to, the following:

75 ~~[(1)]~~ (a) The findings of the assessor based on an appraisal of the property by
76 generally accepted appraisal techniques; and

77 ~~[(2)]~~ (b) The purchase prices from sales of at least three comparable properties and
78 the address or location thereof. As used in this subdivision, the word "comparable" means
79 that:

80 ~~[(a)]~~ a. Such sale was closed at a date relevant to the property valuation; and

81 ~~[(b)]~~ b. Such properties are not more than one mile from the site of the disputed
82 property, except where no similar properties exist within one mile of the disputed property,
83 the nearest comparable property shall be used. Such property shall be within five hundred
84 square feet in size of the disputed property, and resemble the disputed property in age, floor
85 plan, number of rooms, and other relevant characteristics.

86 2. Assessors in each county of this state and the City of St. Louis may send personal
87 property assessment forms through the mail.

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

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

93 (2) Livestock, twelve percent;

94 (3) Farm machinery, twelve percent;

95 (4) Motor vehicles which are eligible for registration as and are registered as historic
96 motor vehicles pursuant to section 301.131 and aircraft which are at least twenty-five years
97 old and which are used solely for noncommercial purposes and are operated less than two
98 hundred hours per year or aircraft that are home built from a kit, five percent;

99 (5) Poultry, twelve percent; and

100 (6) Tools and equipment used for pollution control and tools and equipment used in
101 retooling for the purpose of introducing new product lines or used for making improvements
102 to existing products by any company which is located in a state enterprise zone and which is
103 identified by any standard industrial classification number cited in subdivision (7) of section
104 135.200, twenty-five percent.

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

109 5. (1) All subclasses of real property, as such subclasses are established in Section 4
110 (b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed
111 at the following percentages of true value:

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

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

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

115 (2) A taxpayer may apply to the county assessor, or, if not located within a county,
116 then the assessor of such city, for the reclassification of such taxpayer's real property if the use
117 or purpose of such real property is changed after such property is assessed under the
118 provisions of this chapter. If the assessor determines that such property shall be reclassified,
119 ~~he or she~~ **such assessor** shall determine the assessment under this subsection based on the
120 percentage of the tax year that such property was classified in each subclassification.

121 6. Manufactured homes, as defined in section 700.010, which are actually used as
122 dwelling units shall be assessed at the same percentage of true value as residential real
123 property for the purpose of taxation. The percentage of assessment of true value for such
124 manufactured homes shall be the same as for residential real property. If the county collector
125 cannot identify or find the manufactured home when attempting to attach the manufactured
126 home for payment of taxes owed by the manufactured home owner, the county collector may
127 request the county commission to have the manufactured home removed from the tax books,

128 and such request shall be granted within thirty days after the request is made; however, the
129 removal from the tax books does not remove the tax lien on the manufactured home if it is
130 later identified or found. For purposes of this section, a manufactured home located in a
131 manufactured home rental park, rental community or on real estate not owned by the
132 manufactured home owner shall be considered personal property. For purposes of this
133 section, a manufactured home located on real estate owned by the manufactured home owner
134 may be considered real property.

135 7. Each manufactured home assessed shall be considered a parcel for the purpose of
136 reimbursement pursuant to section 137.750, unless the manufactured home is deemed to be
137 real estate as defined in subsection 7 of section 442.015 and assessed as a realty improvement
138 to the existing real estate parcel.

139 8. Any amount of tax due and owing based on the assessment of a manufactured
140 home shall be included on the personal property tax statement of the manufactured home
141 owner unless the manufactured home is deemed to be real estate as defined in subsection 7 of
142 section 442.015, in which case the amount of tax due and owing on the assessment of the
143 manufactured home as a realty improvement to the existing real estate parcel shall be
144 included on the real property tax statement of the real estate owner.

145 9. The assessor of each county and each city not within a county shall use the trade-in
146 value published in the October issue of the National Automobile Dealers' Association Official
147 Used Car Guide, or its successor publication, as the recommended guide of information for
148 determining the true value of motor vehicles described in such publication. The assessor shall
149 not use a value that is greater than the average trade-in value in determining the true value of
150 the motor vehicle without performing a physical inspection of the motor vehicle. For vehicles
151 two years old or newer from a vehicle's model year, the assessor may use a value other than
152 average without performing a physical inspection of the motor vehicle. In the absence of a
153 listing for a particular motor vehicle in such publication, the assessor shall use such
154 information or publications which in the assessor's judgment will fairly estimate the true
155 value in money of the motor vehicle.

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

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

164 performed during the physical inspection. The owner shall have no less than thirty days to
165 notify the assessor of a request for an interior physical inspection.

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

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

181 14. Any county or city not within a county in this state may, by an affirmative vote of
182 the governing body of such county, opt out of the provisions of this section and sections
183 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general
184 assembly, second regular session and section 137.073 as modified by house committee
185 substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-
186 second general assembly, second regular session, for the next year of the general
187 reassessment, prior to January first of any year. No county or city not within a county
188 shall exercise this opt-out provision after implementing the provisions of this section and
189 sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first
190 general assembly, second regular session and section 137.073 as modified by house
191 committee substitute for senate substitute for senate committee substitute for senate bill no.
192 960, ninety-second general assembly, second regular session, in a year of general
193 reassessment. For the purposes of applying the provisions of this subsection, a political
194 subdivision contained within two or more counties where at least one of such counties has
195 opted out and at least one of such counties has not opted out shall calculate a single tax rate as
196 in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly,
197 second regular session. A governing body of a city not within a county or a county that has
198 opted out under the provisions of this subsection may choose to implement the provisions of
199 this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of
200 the ninety-first general assembly, second regular session, and section 137.073 as modified by

201 house committee substitute for senate substitute for senate committee substitute for senate bill
202 no. 960, ninety-second general assembly, second regular session, for the next year of general
203 reassessment, by an affirmative vote of the governing body prior to December thirty-first of
204 any year.

205 15. The governing body of any city of the third classification with more than twenty-
206 six thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants
207 located in any county that has exercised its authority to opt out under subsection 14 of this
208 section may levy separate and differing tax rates for real and personal property only if such
209 city bills and collects its own property taxes or satisfies the entire cost of the billing and
210 collection of such separate and differing tax rates. Such separate and differing rates shall not
211 exceed such city's tax rate ceiling.

212 16. Any portion of real property that is available as reserve for strip, surface, or coal
213 mining for minerals for purposes of excavation for future use or sale to others that has not
214 been bonded and permitted under chapter 444 shall be assessed based upon how the real
215 property is currently being used. Any information provided to a county assessor, state tax
216 commission, state agency, or political subdivision responsible for the administration of tax
217 policies shall, in the performance of its duties, make available all books, records, and
218 information requested, except such books, records, and information as are by law declared
219 confidential in nature, including individually identifiable information regarding a specific
220 taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall
221 mean all real property that is in use or readily available as a reserve for strip, surface, or coal
222 mining for minerals for purposes of excavation for current or future use or sale to others that
223 has been bonded and permitted under chapter 444.

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