

SECOND REGULAR SESSION

# HOUSE BILL NO. 1467

## 102ND GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE SANDER.

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DANA RADEMAN MILLER, Chief Clerk

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### AN ACT

To repeal sections 137.115, 137.237, 138.135, and 138.430, RSMo, and to enact in lieu thereof four new sections relating to the assessment of real property.

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

Section A. Sections 137.115, 137.237, 138.135, and 138.430, RSMo, are repealed and  
2 four new sections enacted in lieu thereof, to be known as sections 137.115, 137.237, 138.135,  
3 and 138.430, to read as follows:

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the  
2 assessor's deputies in all counties of this state including the City of St. Louis shall annually  
3 make a list of all real and tangible personal property taxable in the assessor's city, county,  
4 town or district. Except as otherwise provided in subsection 3 of this section and section  
5 137.078, the assessor shall annually assess all personal property at thirty-three and one-third  
6 percent of its true value in money as of January first of each calendar year. The assessor shall  
7 annually assess all real property, including any new construction and improvements to real  
8 property, and possessory interests in real property at the percent of its true value in money set  
9 in subsection 5 of this section. The true value in money of any possessory interest in real  
10 property in subclass (3), where such real property is on or lies within the ultimate airport  
11 boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a  
12 commercial airport having a FAR Part 139 certification and owned by a political subdivision,  
13 shall be the otherwise applicable true value in money of any such possessory interest in real  
14 property, less the total dollar amount of costs paid by a party, other than the political  
15 subdivision, towards any new construction or improvements on such real property completed  
16 after January 1, 2008, and which are included in the above-mentioned possessory interest,

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 regardless of the year in which such costs were incurred or whether such costs were  
18 considered in any prior year. The assessor shall annually assess all real property in the  
19 following manner: new assessed values shall be determined as of **January 1, 2027, and**  
20 **every January first of each fourth year thereafter for the valuation of subclass (1) real**  
21 **property or as of January first of each odd-numbered year for the valuation of real**  
22 **property in subclasses (2) and (3)** and shall be entered in the assessor's books; those same  
23 assessed values shall apply in the following **three years for subclass (1) real property or in**  
24 **the following** even-numbered year **for real property in subclasses (2) and (3)**, except for  
25 new construction and property improvements which shall be valued as though they had been  
26 completed as of January first of the preceding **new assessment year for subclass (1) real**  
27 **property or the preceding** odd-numbered year **for real property in subclasses (2) and (3)**.  
28 The assessor may call at the office, place of doing business, or residence of each person  
29 required by this chapter to list property, and require the person to make a correct statement of  
30 all taxable tangible personal property owned by the person or under his or her care, charge or  
31 management, taxable in the county. **On or before January first of the first year of the**  
32 **four-year period in which the newly assessed values apply to subclass (1) real property,**  
33 **the assessor shall prepare and submit a four-year assessment maintenance plan for**  
34 **subclass (1) real property to the county governing body and the state tax commission for**  
35 **their respective approval or modification.** On or before January first of each even-  
36 numbered year **for real property in subclasses (2) and (3)**, the assessor shall prepare and  
37 submit a two-year assessment maintenance plan to the county governing body and the state  
38 tax commission for their respective approval or modification. The county governing body  
39 shall approve and forward such plan or its alternative to the plan to the state tax commission  
40 by February first. If the county governing body fails to forward the plan or its alternative to  
41 the plan to the state tax commission by February first, the assessor's plan shall be considered  
42 approved by the county governing body. If the state tax commission fails to approve a plan  
43 and if the state tax commission and the assessor and the governing body of the county  
44 involved are unable to resolve the differences, in order to receive state cost-share funds  
45 outlined in section 137.750, the county or the assessor shall petition the administrative  
46 hearing commission, by May first, to decide all matters in dispute regarding the assessment  
47 maintenance plan. Upon agreement of the parties, the matter may be stayed while the parties  
48 proceed with mediation or arbitration upon terms agreed to by the parties. The final decision  
49 of the administrative hearing commission shall be subject to judicial review in the circuit  
50 court of the county involved. In the event a valuation of subclass (1) real property within any  
51 county with a charter form of government, or within a city not within a county, is made by a  
52 computer, computer-assisted method or a computer program, the burden of proof, supported  
53 by clear, convincing and cogent evidence to sustain such valuation, shall be on the assessor at

54 any hearing or appeal. In any such county, unless the assessor proves otherwise, there shall  
55 be a presumption that the assessment was made by a computer, computer-assisted method or a  
56 computer program. Such evidence shall include, but shall not be limited to, the following:

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

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

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

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

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

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

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

74 (2) Livestock, twelve percent;

75 (3) Farm machinery, twelve percent;

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

80 (5) Poultry, twelve percent; and

81 (6) Tools and equipment used for pollution control and tools and equipment used in  
82 retooling for the purpose of introducing new product lines or used for making improvements  
83 to existing products by any company which is located in a state enterprise zone and which is  
84 identified by any standard industrial classification number cited in subdivision (7) of section  
85 135.200, twenty-five percent.

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

90           5. (1) All subclasses of real property, as such subclasses are established in Section 4  
91 (b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed  
92 at the following percentages of true value:

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

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

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

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

102           6. Manufactured homes, as defined in section 700.010, which are actually used as  
103 dwelling units shall be assessed at the same percentage of true value as residential real  
104 property for the purpose of taxation. The percentage of assessment of true value for such  
105 manufactured homes shall be the same as for residential real property. If the county collector  
106 cannot identify or find the manufactured home when attempting to attach the manufactured  
107 home for payment of taxes owed by the manufactured home owner, the county collector may  
108 request the county commission to have the manufactured home removed from the tax books,  
109 and such request shall be granted within thirty days after the request is made; however, the  
110 removal from the tax books does not remove the tax lien on the manufactured home if it is  
111 later identified or found. For purposes of this section, a manufactured home located in a  
112 manufactured home rental park, rental community or on real estate not owned by the  
113 manufactured home owner shall be considered personal property. For purposes of this  
114 section, a manufactured home located on real estate owned by the manufactured home owner  
115 may be considered real property.

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

120           8. Any amount of tax due and owing based on the assessment of a manufactured  
121 home shall be included on the personal property tax statement of the manufactured home  
122 owner unless the manufactured home is deemed to be real estate as defined in subsection 7 of  
123 section 442.015, in which case the amount of tax due and owing on the assessment of the  
124 manufactured home as a realty improvement to the existing real estate parcel shall be  
125 included on the real property tax statement of the real estate owner.

126           9. The assessor of each county and each city not within a county shall use the trade-in  
127 value published in the October issue of the National Automobile Dealers' Association Official  
128 Used Car Guide, or its successor publication, as the recommended guide of information for  
129 determining the true value of motor vehicles described in such publication. The assessor shall  
130 not use a value that is greater than the average trade-in value in determining the true value of  
131 the motor vehicle without performing a physical inspection of the motor vehicle. For vehicles  
132 two years old or newer from a vehicle's model year, the assessor may use a value other than  
133 average without performing a physical inspection of the motor vehicle. In the absence of a  
134 listing for a particular motor vehicle in such publication, the assessor shall use such  
135 information or publications which in the assessor's judgment will fairly estimate the true  
136 value in money of the motor vehicle.

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

141           11. If a physical inspection is required, pursuant to subsection 10 of this section, the  
142 assessor shall notify the property owner of that fact in writing and shall provide the owner  
143 clear written notice of the owner's rights relating to the physical inspection. If a physical  
144 inspection is required, the property owner may request that an interior inspection be  
145 performed during the physical inspection. The owner shall have no less than thirty days to  
146 notify the assessor of a request for an interior physical inspection.

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

155           13. A county or city collector may accept credit cards as proper form of payment of  
156 outstanding property tax or license due. No county or city collector may charge surcharge for  
157 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,  
158 processor, or issuer for its service. A county or city collector may accept payment by  
159 electronic transfers of funds in payment of any tax or license and charge the person making  
160 such payment a fee equal to the fee charged the county by the bank, processor, or issuer of  
161 such electronic payment.

162           14. Any county or city not within a county in this state may, by an affirmative vote of  
163 the governing body of such county, opt out of the provisions of this section and sections  
164 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general  
165 assembly, second regular session and section 137.073 as modified by house committee  
166 substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-  
167 second general assembly, second regular session, for the next year of the general  
168 reassessment, prior to January first of any year. No county or city not within a county  
169 shall exercise this opt-out provision after implementing the provisions of this section and  
170 sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first  
171 general assembly, second regular session and section 137.073 as modified by house  
172 committee substitute for senate substitute for senate committee substitute for senate bill no.  
173 960, ninety-second general assembly, second regular session, in a year of general  
174 reassessment. For the purposes of applying the provisions of this subsection, a political  
175 subdivision contained within two or more counties where at least one of such counties has  
176 opted out and at least one of such counties has not opted out shall calculate a single tax rate as  
177 in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly,  
178 second regular session. A governing body of a city not within a county or a county that has  
179 opted out under the provisions of this subsection may choose to implement the provisions of  
180 this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of  
181 the ninety-first general assembly, second regular session, and section 137.073 as modified by  
182 house committee substitute for senate substitute for senate committee substitute for senate bill  
183 no. 960, ninety-second general assembly, second regular session, for the next year of general  
184 reassessment, by an affirmative vote of the governing body prior to December thirty-first of  
185 any year.

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

193           16. Any portion of real property that is available as reserve for strip, surface, or coal  
194 mining for minerals for purposes of excavation for future use or sale to others that has not  
195 been bonded and permitted under chapter 444 shall be assessed based upon how the real  
196 property is currently being used. Any information provided to a county assessor, state tax  
197 commission, state agency, or political subdivision responsible for the administration of tax  
198 policies shall, in the performance of its duties, make available all books, records, and

199 information requested, except such books, records, and information as are by law declared  
200 confidential in nature, including individually identifiable information regarding a specific  
201 taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall  
202 mean all real property that is in use or readily available as a reserve for strip, surface, or coal  
203 mining for minerals for purposes of excavation for current or future use or sale to others that  
204 has been bonded and permitted under chapter 444.

137.237. The county assessor of each county and the assessor of any city not within a  
2 county shall, beginning January 1, 1989, and every odd-numbered year thereafter, **or**  
3 **beginning January 1, 2027, and every fourth year thereafter for subclass (1) real**  
4 **property**, identify, list, and state the true value in money of the property in such county or  
5 city not within a county which is totally or partially exempt from ad valorem taxes for such  
6 taxable year pursuant to sections 99.800 to 99.865; sections 135.200 to 135.255; and section  
7 353.110. Such properties shall be identified and listed, with the true value in money of the  
8 property included as well as the number of years of abatement remaining and the percentage  
9 of true value exempted for the abated properties, in a report filed with the state tax  
10 commission and the assessor of the county or city not within a county on or before November  
11 1, 1989, and November first of every odd-numbered year thereafter, **and on or before**  
12 **November 1, 2027, and November first of every fourth year thereafter for subclass (1)**  
13 **real property**. Such report, in summary form, shall be included in each reassessment notice  
14 stating said tax abatements in each county or city not within a county and, in addition, include  
15 a statement that a list of specific abated property is available for inspection upon request at the  
16 county courthouse or city hall of any city not within a county.

138.135. 1. Notwithstanding any other provision of law to the contrary, the county  
2 assessor of any county of the first classification with a population of at least nine hundred  
3 thousand inhabitants shall not be a member of the county board of equalization.

4 2. In any county of the first classification with a population of at least nine hundred  
5 thousand inhabitants, when there is an order of the board of equalization or the state tax  
6 commission, including a settlement order, relating to the assessment of property, the  
7 assessment shall remain the same for the subsequent even-numbered year **or the subsequent**  
8 **three years of the four-year cycle for subclass (1) real property described under**  
9 **subsection 1 of section 137.115**, unless there has been new construction or property  
10 improvements between January first of the odd-numbered year and January first of the  
11 following even-numbered year **or between January first of the first year and January first**  
12 **of the following second year of the four-year cycle for subclass (1) real property**  
13 **described under subsection 1 of section 137.115**.

14 3. In any county of the first classification with a population of at least nine hundred  
15 thousand inhabitants, when a hearing is conducted by the board of equalization pursuant to

16 this chapter, if the property owner requests to be heard by a majority of the board of  
17 equalization, and a majority of the board of equalization is not in attendance for any reason,  
18 the position of the property owner shall prevail without further action.

138.430. 1. Every owner of real property or tangible personal property shall have the  
2 right to appeal from the local boards of equalization to the state tax commission under rules  
3 prescribed by the state tax commission, within the time prescribed in this chapter or thirty  
4 days following the final action of the local board of equalization, whichever date later occurs,  
5 concerning all questions and disputes involving the assessment against such property, the  
6 correct valuation to be placed on such property, the method or formula used in determining  
7 the valuation of such property, or the assignment of a discriminatory assessment to such  
8 property. The commission shall investigate all such appeals and shall correct any assessment  
9 or valuation which is shown to be unlawful, unfair, improper, arbitrary or capricious. Any  
10 person aggrieved by the decision of the commission may seek review as provided in chapter  
11 536.

12 2. In order to investigate such appeals, the commission may inquire of the owner of  
13 the property or of any other party to the appeal regarding any matter or issue relevant to the  
14 valuation, subclassification or assessment of the property. The commission may make its  
15 decision regarding the assessment or valuation of the property based solely upon its inquiry  
16 and any evidence presented by the parties to the commission, or based solely upon evidence  
17 presented by the parties to the commission.

18 3. Every owner of real property or tangible personal property shall have the right to  
19 appeal to the circuit court of the county in which the collector maintains his office from the  
20 decision of the local board of equalization not later than thirty days after the final decision of  
21 the board of equalization concerning all questions and disputes involving the exclusion or  
22 exemption of such property from assessment or from the tax rolls pursuant to the Constitution  
23 of the United States or the constitution or laws of this state, or of the taxable situs of such  
24 property. The appeal shall be as a trial de novo in the manner prescribed for nonjury civil  
25 proceedings. Upon the timely filing of the appeal, the clerk of the circuit court shall send to  
26 the county collector to whom the taxes on the property involved would be due a notice that an  
27 appeal seeking exemption has been filed, which notice shall contain the name of the taxpayer,  
28 the case number assigned by the court, and the parcel or locator number of the property being  
29 appealed. The notice to the collector shall state that the taxes in dispute are to be impounded  
30 in accordance with subsection 2 of section 139.031.

31 4. Upon the timely filing of an appeal to the state tax commission as provided in this  
32 section, or the transfer of an appeal to the commission in accordance with subsection 5 of this  
33 section, the commission shall send to the county collector to whom the taxes on the property  
34 involved would be due a notice that an appeal has been filed or transferred as the case may be,



35 which notice shall contain the name of the taxpayer filing the appeal, the appeal number  
36 assigned by the commission, the parcel or locator number of the property being appealed, the  
37 assessed value by the board of equalization and the assessed value proposed by the taxpayer,  
38 if such values have been provided to the commission when the appeal is filed. The notice to  
39 the collector shall state that the taxes in dispute are to be impounded in accordance with  
40 subsection 2 of section 139.031. Notice to the collector of an appeal filed in an odd-  
41 numbered year **or in the first year of the four-year cycle for subclass (1) real property**  
42 **described under subsection 1 of section 137.115** shall also serve as notice to the collector to  
43 impound taxes for the following even-numbered year **or the following year or years of the**  
44 **four-year cycle for subclass (1) real property described under subsection 1 of section**  
45 **137.115** if no decision has been rendered in the appeal. The state tax commission shall notify  
46 the collector once a decision has been rendered in an appeal.

47         5. If the circuit court, after review of the appeal, finds that the appeal is not a proper  
48 subject for the appeal to the circuit court as provided in subsection 3 of this section, it shall  
49 transfer the appeal to the state tax commission for consideration.

50         6. If an assessor classifies real property under a classification that is contrary to or in  
51 conflict with a determination by the state tax commission or a court of competent jurisdiction  
52 of said property, the taxpayer shall be awarded costs of appeal and reasonable attorney's fees  
53 on a challenge of the assessor's determination.

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