

FIRST REGULAR SESSION

# HOUSE BILL NO. 464

## 103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE MCGIRL.

1539H.02I

DANA RADEMAN MILLER, Chief Clerk

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### AN ACT

To repeal sections 137.073 and 137.115, RSMo, and to enact in lieu thereof two new sections relating to personal property valuations.

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

Section A. Sections 137.073 and 137.115, RSMo, are repealed and two new sections  
2 enacted in lieu thereof, to be known as sections 137.073 and 137.115, to read as follows:

137.073. 1. As used in this section, the following terms mean:

2 (1) "General reassessment", changes in value, entered in the assessor's books, of a  
3 substantial portion of the parcels of real property within a county resulting wholly or partly  
4 from reappraisal of value or other actions of the assessor or county equalization body or  
5 ordered by the state tax commission or any court;

6 (2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for  
7 each purpose of taxation of property a taxing authority is authorized to levy without a vote  
8 and any tax rate authorized by election, including bond interest and sinking fund;

9 (3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the  
10 provisions of this section or when a court has determined the tax rate; except that, other  
11 provisions of law to the contrary notwithstanding, a school district may levy the operating  
12 levy for school purposes required for the current year pursuant to subsection 2 of section  
13 163.021, less all adjustments required pursuant to Article X, Section 22 of the Missouri  
14 Constitution, if such tax rate does not exceed the highest tax rate in effect subsequent to the  
15 1980 tax year. This is the maximum tax rate that may be levied, unless a higher tax rate  
16 ceiling is approved by voters of the political subdivision as provided in this section;

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 (4) "Tax revenue", when referring to the previous year, means the actual receipts from  
18 ad valorem levies on all classes of property, including state-assessed property, in the  
19 immediately preceding fiscal year of the political subdivision, plus an allowance for taxes  
20 billed but not collected in the fiscal year and plus an additional allowance for the revenue  
21 which would have been collected from property which was annexed by such political  
22 subdivision but which was not previously used in determining tax revenue pursuant to this  
23 section. The term "tax revenue" shall not include any receipts from ad valorem levies on any  
24 property of a railroad corporation or a public utility, as these terms are defined in section  
25 386.020, which were assessed by the assessor of a county or city in the previous year but are  
26 assessed by the state tax commission in the current year. All school districts and those  
27 counties levying sales taxes pursuant to chapter 67 shall include in the calculation of tax  
28 revenue an amount equivalent to that by which they reduced property tax levies as a result of  
29 sales tax pursuant to section 67.505 and section 164.013 ~~[or as excess home dock city or~~  
30 ~~county fees as provided in subsection 4 of section 313.820]~~ in the immediately preceding  
31 fiscal year but not including any amount calculated to adjust for prior years. For purposes of  
32 political subdivisions which were authorized to levy a tax in the prior year but which did not  
33 levy such tax or levied a reduced rate, the term "tax revenue", as used in relation to the  
34 revision of tax levies mandated by law, shall mean the revenues equal to the amount that  
35 would have been available if the voluntary rate reduction had not been made.

36 2. Whenever changes in assessed valuation are entered in the assessor's books for any  
37 personal property, in the aggregate, or for any subclass of real property as such subclasses are  
38 established in Section 4(b) of Article X of the Missouri Constitution and defined in section  
39 137.016, the county clerk in all counties and the assessor of St. Louis City shall notify each  
40 political subdivision wholly or partially within the county or St. Louis City of the change in  
41 valuation of each subclass of real property, individually, and personal property, in the  
42 aggregate, exclusive of new construction and improvements. All political subdivisions shall  
43 immediately revise the applicable rates of levy for each purpose for each subclass of real  
44 property, individually, and personal property, in the aggregate, for which taxes are levied to  
45 the extent necessary to produce from all taxable property, exclusive of new construction and  
46 improvements, substantially the same amount of tax revenue as was produced in the previous  
47 year for each subclass of real property, individually, and personal property, in the aggregate,  
48 except that the rate shall not exceed the greater of the most recent voter-approved rate or the  
49 most recent voter-approved rate as adjusted under subdivision (2) of subsection 5 of this  
50 section. Any political subdivision that has received approval from voters for a tax increase  
51 after August 27, 2008, may levy a rate to collect substantially the same amount of tax revenue  
52 as the amount of revenue that would have been derived by applying the voter-approved  
53 increased tax rate ceiling to the total assessed valuation of the political subdivision as most

54 recently certified by the city or county clerk on or before the date of the election in which  
55 such increase is approved, increased by the percentage increase in the consumer price index,  
56 as provided by law, except that the rate shall not exceed the greater of the most recent voter-  
57 approved rate or the most recent voter-approved rate as adjusted under subdivision (2) of  
58 subsection 5 of this section. Such tax revenue shall not include any receipts from ad valorem  
59 levies on any real property which was assessed by the assessor of a county or city in such  
60 previous year but is assessed by the assessor of a county or city in the current year in a  
61 different subclass of real property. Where the taxing authority is a school district for the  
62 purposes of revising the applicable rates of levy for each subclass of real property, the tax  
63 revenues from state-assessed railroad and utility property shall be apportioned and attributed  
64 to each subclass of real property based on the percentage of the total assessed valuation of the  
65 county that each subclass of real property represents in the current ~~taxable~~ tax year. As  
66 provided in Section 22 of Article X of the constitution, a political subdivision may also revise  
67 each levy to allow for inflationary assessment growth occurring within the political  
68 subdivision. The inflationary growth factor for any such subclass of real property or personal  
69 property shall be limited to the actual assessment growth in such subclass or class, exclusive  
70 of new construction and improvements, and exclusive of the assessed value on any real  
71 property which was assessed by the assessor of a county or city in the current year in a  
72 different subclass of real property, but not to exceed the consumer price index or five percent,  
73 whichever is lower. Should the tax revenue of a political subdivision from the various tax  
74 rates determined in this subsection be different than the tax revenue that would have been  
75 determined from a single tax rate as calculated pursuant to the method of calculation in this  
76 subsection prior to January 1, 2003, then the political subdivision shall revise the tax rates of  
77 those subclasses of real property, individually, and/or personal property, in the aggregate, in  
78 which there is a tax rate reduction, pursuant to the provisions of this subsection. Such  
79 revision shall yield an amount equal to such difference and shall be apportioned among such  
80 subclasses of real property, individually, and/or personal property, in the aggregate, based on  
81 the relative assessed valuation of the class or subclasses of property experiencing a tax rate  
82 reduction. Such revision in the tax rates of each class or subclass shall be made by computing  
83 the percentage of current year adjusted assessed valuation of each class or subclass with a tax  
84 rate reduction to the total current year adjusted assessed valuation of the class or subclasses  
85 with a tax rate reduction, multiplying the resulting percentages by the revenue difference  
86 between the single rate calculation and the calculations pursuant to this subsection and  
87 dividing by the respective adjusted current year assessed valuation of each class or subclass to  
88 determine the adjustment to the rate to be levied upon each class or subclass of property. The  
89 adjustment computed herein shall be multiplied by one hundred, rounded to four decimals in  
90 the manner provided in this subsection, and added to the initial rate computed for each class

91 or subclass of property. For school districts that levy separate tax rates on each subclass of  
92 real property and personal property in the aggregate, if voters approved a ballot before  
93 January 1, 2011, that presented separate stated tax rates to be applied to the different  
94 subclasses of real property and personal property in the aggregate, or increases the separate  
95 rates that may be levied on the different subclasses of real property and personal property in  
96 the aggregate by different amounts, the tax rate that shall be used for the single tax rate  
97 calculation shall be a blended rate, calculated in the manner provided under subdivision (1) of  
98 subsection 6 of this section. Notwithstanding any provision of this subsection to the contrary,  
99 no revision to the rate of levy for personal property shall cause such levy to increase over the  
100 levy for personal property from the prior year.

101         3. (1) Where the taxing authority is a school district, it shall be required to revise the  
102 rates of levy to the extent necessary to produce from all taxable property, including state-  
103 assessed railroad and utility property, which shall be separately estimated in addition to other  
104 data required in complying with section 164.011, substantially the amount of tax revenue  
105 permitted in this section. In the year following tax rate reduction, the tax rate ceiling may be  
106 adjusted to offset such district's reduction in the apportionment of state school moneys due to  
107 its reduced tax rate. However, in the event any school district, in calculating a tax rate ceiling  
108 pursuant to this section, requiring the estimating of effects of state-assessed railroad and  
109 utility valuation or loss of state aid, discovers that the estimates used result in receipt of  
110 excess revenues, which would have required a lower rate if the actual information had been  
111 known, the school district shall reduce the tax rate ceiling in the following year to compensate  
112 for the excess receipts, and the recalculated rate shall become the tax rate ceiling for purposes  
113 of this section.

114         (2) For any political subdivision which experiences a reduction in the amount of  
115 assessed valuation relating to a prior year, due to decisions of the state tax commission or a  
116 court pursuant to sections 138.430 to 138.433, or due to clerical errors or corrections in the  
117 calculation or recordation of any assessed valuation:

118         (a) Such political subdivision may revise the tax rate ceiling for each purpose it levies  
119 taxes to compensate for the reduction in assessed value occurring after the political  
120 subdivision calculated the tax rate ceiling for the particular subclass of real property or for  
121 personal property, in the aggregate, in a prior year. Such revision by the political subdivision  
122 shall be made at the time of the next calculation of the tax rate for the particular subclass of  
123 real property or for personal property, in the aggregate, after the reduction in assessed  
124 valuation has been determined and shall be calculated in a manner that results in the revised  
125 tax rate ceiling being the same as it would have been had the corrected or finalized assessment  
126 been available at the time of the prior calculation;

127 (b) In addition, for up to three years following the determination of the reduction in  
128 assessed valuation as a result of circumstances defined in this subdivision, such political  
129 subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate  
130 ceiling provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to  
131 receive had the corrected or finalized assessment been available at the time of the prior  
132 calculation.

133 4. (1) In order to implement the provisions of this section and Section 22 of Article X  
134 of the Constitution of Missouri, the term improvements shall apply to both real and personal  
135 property. In order to determine the value of new construction and improvements, each county  
136 assessor shall maintain a record of real property valuations in such a manner as to identify  
137 each year the increase in valuation for each political subdivision in the county as a result of  
138 new construction and improvements. The value of new construction and improvements shall  
139 include the additional assessed value of all improvements or additions to real property which  
140 were begun after and were not part of the prior year's assessment, except that the additional  
141 assessed value of all improvements or additions to real property which had been totally or  
142 partially exempt from ad valorem taxes pursuant to sections 99.800 to 99.865, sections  
143 135.200 to 135.255, and section 353.110 shall be included in the value of new construction  
144 and improvements when the property becomes totally or partially subject to assessment and  
145 payment of all ad valorem taxes. **Except for increases in motor vehicle value under the**  
146 **provisions of subsection 9 of section 137.115**, the aggregate increase in valuation of  
147 personal property for the current year over that of the previous year is the equivalent of the  
148 new construction and improvements factor for personal property. **Beginning January 1,**  
149 **2027, any increase in motor vehicle value from a previous year's price guide under**  
150 **subsection 9 of section 137.115 shall not be counted as new construction.**  
151 Notwithstanding any opt-out implemented pursuant to subsection 14 of section 137.115,  
152 the assessor shall certify the amount of new construction and improvements and the amount  
153 of assessed value on any real property which was assessed by the assessor of a county or city  
154 in such previous year but is assessed by the assessor of a county or city in the current year in a  
155 different subclass of real property separately for each of the three subclasses of real property  
156 for each political subdivision to the county clerk in order that political subdivisions shall have  
157 this information for the purpose of calculating tax rates pursuant to this section and Section  
158 22, Article X, Constitution of Missouri. In addition, the state tax commission shall certify  
159 each year to each county clerk the increase in the general price level as measured by the  
160 Consumer Price Index for All Urban Consumers for the United States, or its successor  
161 publications, as defined and officially reported by the United States Department of Labor, or  
162 its successor agency. The state tax commission shall certify the increase in such index on the  
163 latest twelve-month basis available on February first of each year over the immediately

164 preceding prior twelve-month period in order that political subdivisions shall have this  
165 information available in setting their tax rates according to law and Section 22 of Article X of  
166 the Constitution of Missouri. For purposes of implementing the provisions of this section and  
167 Section 22 of Article X of the Missouri Constitution, the term "property" means all taxable  
168 property, including state-assessed property.

169 (2) Each political subdivision required to revise rates of levy pursuant to this section  
170 or Section 22 of Article X of the Constitution of Missouri shall calculate each tax rate it is  
171 authorized to levy and, in establishing each tax rate, shall consider each provision for tax rate  
172 revision provided in this section and Section 22 of Article X of the Constitution of Missouri,  
173 separately and without regard to annual tax rate reductions provided in section 67.505 and  
174 section 164.013. Each political subdivision shall set each tax rate it is authorized to levy  
175 using the calculation that produces the lowest tax rate ceiling. It is further the intent of the  
176 general assembly, pursuant to the authority of Section 10(c) of Article X of the Constitution  
177 of Missouri, that the provisions of such section be applicable to tax rate revisions mandated  
178 pursuant to Section 22 of Article X of the Constitution of Missouri as to reestablishing tax  
179 rates as revised in subsequent years, enforcement provisions, and other provisions not in  
180 conflict with Section 22 of Article X of the Constitution of Missouri. Annual tax rate  
181 reductions provided in section 67.505 and section 164.013 shall be applied to the tax rate as  
182 established pursuant to this section and Section 22 of Article X of the Constitution of  
183 Missouri, unless otherwise provided by law.

184 5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this  
185 section shall not be increased unless approved by a vote of the people. Approval of the higher  
186 tax rate shall be by at least a majority of votes cast. When a proposed higher tax rate requires  
187 approval by more than a simple majority pursuant to any provision of law or the constitution,  
188 the tax rate increase must receive approval by at least the majority required.

189 (2) When voters approve an increase in the tax rate, the amount of the increase shall  
190 be added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate  
191 does not exceed any maximum rate prescribed by law. If a ballot question presents a stated  
192 tax rate for approval rather than describing the amount of increase in the question, the stated  
193 tax rate approved shall be adjusted as provided in this section and, so adjusted, shall be the  
194 current tax rate ceiling. The increased tax rate ceiling as approved shall be adjusted such that  
195 when applied to the current total assessed valuation of the political subdivision, excluding  
196 new construction and improvements since the date of the election approving such increase,  
197 the revenue derived from the adjusted tax rate ceiling is equal to the sum of: the amount of  
198 revenue which would have been derived by applying the voter-approved increased tax rate  
199 ceiling to total assessed valuation of the political subdivision, as most recently certified by the  
200 city or county clerk on or before the date of the election in which such increase is approved,

201 increased by the percentage increase in the consumer price index, as provided by law. Such  
202 adjusted tax rate ceiling may be applied to the total assessed valuation of the political  
203 subdivision at the setting of the next tax rate. If a ballot question presents a phased-in tax rate  
204 increase, upon voter approval, each tax rate increase shall be adjusted in the manner  
205 prescribed in this section to yield the sum of: the amount of revenue that would be derived by  
206 applying such voter-approved increased rate to the total assessed valuation, as most recently  
207 certified by the city or county clerk on or before the date of the election in which such  
208 increase was approved, increased by the percentage increase in the consumer price index, as  
209 provided by law, from the date of the election to the time of such increase and, so adjusted,  
210 shall be the current tax rate ceiling.

211 (3) The governing body of any political subdivision may levy a tax rate lower than its  
212 tax rate ceiling and may, in a nonreassessment year, increase that lowered tax rate to a level  
213 not exceeding the tax rate ceiling without voter approval in the manner provided under  
214 subdivision (4) of this subsection. Nothing in this section shall be construed as prohibiting a  
215 political subdivision from voluntarily levying a tax rate lower than that which is required  
216 under the provisions of this section or from seeking voter approval of a reduction to such  
217 political subdivision's tax rate ceiling.

218 (4) In a year of general reassessment, a governing body whose tax rate is lower than  
219 its tax rate ceiling shall revise its tax rate pursuant to the provisions of subsection 4 of this  
220 section as if its tax rate was at the tax rate ceiling. In a year following general reassessment, if  
221 such governing body intends to increase its tax rate, the governing body shall conduct a  
222 public hearing, and in a public meeting it shall adopt an ordinance, resolution, or policy  
223 statement justifying its action prior to setting and certifying its tax rate. The provisions of this  
224 subdivision shall not apply to any political subdivision which levies a tax rate lower than its  
225 tax rate ceiling solely due to a reduction required by law resulting from sales tax collections.  
226 The provisions of this subdivision shall not apply to any political subdivision which has  
227 received voter approval for an increase to its tax rate ceiling subsequent to setting its most  
228 recent tax rate.

229 6. (1) For the purposes of calculating state aid for public schools pursuant to section  
230 163.031, each taxing authority which is a school district shall determine its proposed tax rate  
231 as a blended rate of the classes or subclasses of property. Such blended rate shall be  
232 calculated by first determining the total tax revenue of the property within the jurisdiction of  
233 the taxing authority, which amount shall be equal to the sum of the products of multiplying  
234 the assessed valuation of each class and subclass of property by the corresponding tax rate for  
235 such class or subclass, then dividing the total tax revenue by the total assessed valuation of  
236 the same jurisdiction, and then multiplying the resulting quotient by a factor of one hundred.  
237 Where the taxing authority is a school district, such blended rate shall also be used by such

238 school district for calculating revenue from state-assessed railroad and utility property as  
239 defined in chapter 151 and for apportioning the tax rate by purpose.

240 (2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk  
241 of the county commission in the county or counties where the tax rate applies of its tax rate  
242 ceiling and its proposed tax rate. Each taxing authority shall express its proposed tax rate in a  
243 fraction equal to the nearest one-tenth of a cent, unless its proposed tax rate is in excess of one  
244 dollar, then one/one-hundredth of a cent. If a taxing authority shall round to one/one-  
245 hundredth of a cent, it shall round up a fraction greater than or equal to five/one-thousandth of  
246 one cent to the next higher one/one-hundredth of a cent; if a taxing authority shall round to  
247 one-tenth of a cent, it shall round up a fraction greater than or equal to five/one-hundredths of  
248 a cent to the next higher one-tenth of a cent. Any taxing authority levying a property tax rate  
249 shall provide data, in such form as shall be prescribed by the state auditor by rule,  
250 substantiating such tax rate complies with Missouri law. All forms for the calculation of rates  
251 pursuant to this section shall be promulgated as a rule and shall not be incorporated by  
252 reference. The state auditor shall promulgate rules for any and all forms for the calculation of  
253 rates pursuant to this section which do not currently exist in rule form or that have been  
254 incorporated by reference. In addition, each taxing authority proposing to levy a tax rate for  
255 debt service shall provide data, in such form as shall be prescribed by the state auditor by rule,  
256 substantiating the tax rate for debt service complies with Missouri law. A tax rate proposed  
257 for annual debt service requirements will be prima facie valid if, after making the payment for  
258 which the tax was levied, bonds remain outstanding and the debt fund reserves do not exceed  
259 the following year's payments. The county clerk shall keep on file and available for public  
260 inspection all such information for a period of three years. The clerk shall, within three days  
261 of receipt, forward a copy of the notice of a taxing authority's tax rate ceiling and proposed  
262 tax rate and any substantiating data to the state auditor. The state auditor shall, within fifteen  
263 days of the date of receipt, examine such information and return to the county clerk his or her  
264 findings as to compliance of the tax rate ceiling with this section and as to compliance of any  
265 proposed tax rate for debt service with Missouri law. If the state auditor believes that a taxing  
266 authority's proposed tax rate does not comply with Missouri law, then the state auditor's  
267 findings shall include a recalculated tax rate, and the state auditor may request a taxing  
268 authority to submit documentation supporting such taxing authority's proposed tax rate. The  
269 county clerk shall immediately forward a copy of the auditor's findings to the taxing authority  
270 and shall file a copy of the findings with the information received from the taxing authority.  
271 The taxing authority shall have fifteen days from the date of receipt from the county clerk of  
272 the state auditor's findings and any request for supporting documentation to accept or reject in  
273 writing the rate change certified by the state auditor and to submit all requested information to  
274 the state auditor. A copy of the taxing authority's acceptance or rejection and any information



275 submitted to the state auditor shall also be mailed to the county clerk. If a taxing authority  
276 rejects a rate change certified by the state auditor and the state auditor does not receive  
277 supporting information which justifies the taxing authority's original or any subsequent  
278 proposed tax rate, then the state auditor shall refer the perceived violations of such taxing  
279 authority to the attorney general's office and the attorney general is authorized to obtain  
280 injunctive relief to prevent the taxing authority from levying a violative tax rate.

281 (3) In the event that the taxing authority incorrectly completes the forms created and  
282 promulgated under subdivision (2) of this subsection, or makes a clerical error, the taxing  
283 authority may submit amended forms with an explanation for the needed changes. If such  
284 amended forms are filed under regulations prescribed by the state auditor, the state auditor  
285 shall take into consideration such amended forms for the purposes of this subsection.

286 7. No tax rate shall be extended on the tax rolls by the county clerk unless the political  
287 subdivision has complied with the foregoing provisions of this section.

288 8. Whenever a taxpayer has cause to believe that a taxing authority has not complied  
289 with the provisions of this section, the taxpayer may make a formal complaint with the  
290 prosecuting attorney of the county. Where the prosecuting attorney fails to bring an action  
291 within ten days of the filing of the complaint, the taxpayer may bring a civil action pursuant to  
292 this section and institute an action as representative of a class of all taxpayers within a taxing  
293 authority if the class is so numerous that joinder of all members is impracticable, if there are  
294 questions of law or fact common to the class, if the claims or defenses of the representative  
295 parties are typical of the claims or defenses of the class, and if the representative parties will  
296 fairly and adequately protect the interests of the class. In any class action maintained  
297 pursuant to this section, the court may direct to the members of the class a notice to be  
298 published at least once each week for four consecutive weeks in a newspaper of general  
299 circulation published in the county where the civil action is commenced and in other counties  
300 within the jurisdiction of a taxing authority. The notice shall advise each member that the  
301 court will exclude him or her from the class if he or she so requests by a specified date, that  
302 the judgment, whether favorable or not, will include all members who do not request  
303 exclusion, and that any member who does not request exclusion may, if he or she desires,  
304 enter an appearance. In any class action brought pursuant to this section, the court, in  
305 addition to the relief requested, shall assess against the taxing authority found to be in  
306 violation of this section the reasonable costs of bringing the action, including reasonable  
307 attorney's fees, provided no attorney's fees shall be awarded any attorney or association of  
308 attorneys who receive public funds from any source for their services. Any action brought  
309 pursuant to this section shall be set for hearing as soon as practicable after the cause is at  
310 issue.

311 9. If in any action, including a class action, the court issues an order requiring a taxing  
312 authority to revise the tax rates as provided in this section or enjoins a taxing authority from  
313 the collection of a tax because of its failure to revise the rate of levy as provided in this  
314 section, any taxpayer paying his or her taxes when an improper rate is applied has erroneously  
315 paid his or her taxes in part, whether or not the taxes are paid under protest as provided in  
316 section 139.031 or otherwise contested. The part of the taxes paid erroneously is the  
317 difference in the amount produced by the original levy and the amount produced by the  
318 revised levy. The township or county collector of taxes or the collector of taxes in any city  
319 shall refund the amount of the tax erroneously paid. The taxing authority refusing to revise  
320 the rate of levy as provided in this section shall make available to the collector all funds  
321 necessary to make refunds pursuant to this subsection. No taxpayer shall receive any interest  
322 on any money erroneously paid by him or her pursuant to this subsection. Effective in the  
323 1994 tax year, nothing in this section shall be construed to require a taxing authority to refund  
324 any tax erroneously paid prior to or during the third tax year preceding the current tax year.

325 10. Any rule or portion of a rule, as that term is defined in section 536.010, that is  
326 created under the authority delegated in this section shall become effective only if it complies  
327 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.  
328 This section and chapter 536 are nonseverable and if any of the powers vested with the  
329 general assembly pursuant to chapter 536 to review, to delay the effective date, or to  
330 disapprove and annul a rule are subsequently held unconstitutional, then the grant of  
331 rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be invalid  
332 and void.

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, **for all calendar years ending on or before December 31, 2025**, the assessor shall  
6 annually assess all personal property at thirty-three and one-third percent of its true value in  
7 money as of January first of each calendar year. **Except as otherwise provided in**  
8 **subsection 3 of this section and section 137.078, for all calendar years beginning on or**  
9 **after January 1, 2026, the assessor shall annually assess all personal property at thirty-**  
10 **one percent of its true value in money as of January first of each calendar year.** The  
11 assessor shall annually assess all real property, including any new construction and  
12 improvements to real property, and possessory interests in real property at the percent of its  
13 true value in money set in subsection 5 of this section. The true value in money of any  
14 possessory interest in real property in subclass (3), where such real property is on or lies  
15 within the ultimate airport boundary as shown by a federal airport layout plan, as defined by

16 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a  
17 political subdivision, shall be the otherwise applicable true value in money of any such  
18 possessory interest in real property, less the total dollar amount of costs paid by a party, other  
19 than the political subdivision, towards any new construction or improvements on such real  
20 property completed after January 1, 2008, and which are included in the above-mentioned  
21 possessory interest, regardless of the year in which such costs were incurred or whether such  
22 costs were considered in any prior year. The assessor shall annually assess all real property in  
23 the following manner: new assessed values shall be determined as of January first of each  
24 odd-numbered year and shall be entered in the assessor's books; those same assessed values  
25 shall apply in the following even-numbered year, except for new construction and property  
26 improvements which shall be valued as though they had been completed as of January first of  
27 the preceding odd-numbered year. The assessor may call at the office, place of doing  
28 business, or residence of each person required by this chapter to list property, and require the  
29 person to make a correct statement of all taxable tangible personal property owned by the  
30 person or under his or her care, charge or management, taxable in the county. On or before  
31 January first of each even-numbered year, the assessor shall prepare and submit a two-year  
32 assessment maintenance plan to the county governing body and the state tax commission for  
33 their respective approval or modification. The county governing body shall approve and  
34 forward such plan or its alternative to the plan to the state tax commission by February first.  
35 If the county governing body fails to forward the plan or its alternative to the plan to the state  
36 tax commission by February first, the assessor's plan shall be considered approved by the  
37 county governing body. If the state tax commission fails to approve a plan and if the state tax  
38 commission and the assessor and the governing body of the county involved are unable to  
39 resolve the differences, in order to receive state cost-share funds outlined in section 137.750,  
40 the county or the assessor shall petition the administrative hearing commission, by May first,  
41 to decide all matters in dispute regarding the assessment maintenance plan. Upon agreement  
42 of the parties, the matter may be stayed while the parties proceed with mediation or  
43 arbitration upon terms agreed to by the parties. The final decision of the administrative  
44 hearing commission shall be subject to judicial review in the circuit court of the county  
45 involved. In the event a valuation of subclass (1) real property within any county with a  
46 charter form of government, or within a city not within a county, is made by a computer,  
47 computer-assisted method or a computer program, the burden of proof, supported by clear,  
48 convincing and cogent evidence to sustain such valuation, shall be on the assessor at any  
49 hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a  
50 presumption that the assessment was made by a computer, computer-assisted method or a  
51 computer program. Such evidence shall include, but shall not be limited to, the following:

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

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

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

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

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

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

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

69 (2) Livestock, twelve percent;

70 (3) Farm machinery, twelve percent;

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

75 (5) Poultry, twelve percent; and

76 (6) Tools and equipment used for pollution control and tools and equipment used in  
77 retooling for the purpose of introducing new product lines or used for making improvements  
78 to existing products by any company which is located in a state enterprise zone and which is  
79 identified by any standard industrial classification number cited in subdivision (7) of section  
80 135.200, twenty-five percent.

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

85 5. (1) All subclasses of real property, as such subclasses are established in Section 4  
86 (b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed  
87 at the following percentages of true value:

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

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

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

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

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

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

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

121 9. The assessor of each county and each city not within a county shall use ~~[the trade-~~  
122 ~~in value published in the October issue of]~~ **a nationally recognized automotive trade**  
123 **publication such as** the National Automobile Dealers' Association Official Used Car Guide,  
124 ~~[or its successor publication]~~ **Kelley Blue Book, Edmunds, or other similar publication** as  
125 the recommended guide of information for determining the true value of motor vehicles

126 described in such publication. **The state tax commission shall determine which**  
127 **publication shall be used. The assessor of each county and each city not within a**  
128 **county shall use the trade-in value published in the current October issue of the**  
129 **publication selected by the state tax commission.** The assessor shall not use a value that is  
130 greater than the average trade-in value in determining the true value of the motor vehicle  
131 without performing a physical inspection of the motor vehicle. For vehicles two years old or  
132 newer from a vehicle's model year, the assessor may use a value other than average without  
133 performing a physical inspection of the motor vehicle. In the absence of a listing for a  
134 particular motor vehicle in such publication, the assessor shall use such information or  
135 publications which in the assessor's judgment will fairly estimate the true value in money of  
136 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.

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