

FIRST REGULAR SESSION

[PERFECTED]

# HOUSE BILL NO. 780

103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE CHAPPELL.

1729H.01P

JOSEPH ENGLER, Chief Clerk

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## AN ACT

To repeal sections 137.115, 137.180, and 137.355, RSMo, and to enact in lieu thereof three new sections relating to real property valuation assessments.

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

Section A. Sections 137.115, 137.180, and 137.355, RSMo, are repealed and three  
2 new sections enacted in lieu thereof, to be known as sections 137.115, 137.180, and 137.355,  
3 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

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.

16 after January 1, 2008, and which are included in the above-mentioned possessory interest,  
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 first of each odd-  
20 numbered year and shall be entered in the assessor's books; those same assessed values shall  
21 apply in the following even-numbered year, except for new construction and property  
22 improvements which shall be valued as though they had been completed as of January first of  
23 the preceding odd-numbered year. The assessor may call at the office, place of doing  
24 business, or residence of each person required by this chapter to list property, and require the  
25 person to make a correct statement of all taxable tangible personal property owned by the  
26 person or under his or her care, charge or management, taxable in the county. On or before  
27 January first of each even-numbered year, the assessor shall prepare and submit a two-year  
28 assessment maintenance plan to the county governing body and the state tax commission for  
29 their respective approval or modification. The county governing body shall approve and  
30 forward such plan or its alternative to the plan to the state tax commission by February first.  
31 If the county governing body fails to forward the plan or its alternative to the plan to the state  
32 tax commission by February first, the assessor's plan shall be considered approved by the  
33 county governing body. If the state tax commission fails to approve a plan and if the state tax  
34 commission and the assessor and the governing body of the county involved are unable to  
35 resolve the differences, in order to receive state cost-share funds outlined in section 137.750,  
36 the county or the assessor shall petition the administrative hearing commission, by May first,  
37 to decide all matters in dispute regarding the assessment maintenance plan. Upon agreement  
38 of the parties, the matter may be stayed while the parties proceed with mediation or  
39 arbitration upon terms agreed to by the parties. The final decision of the administrative  
40 hearing commission shall be subject to judicial review in the circuit court of the county  
41 involved. In the event a valuation of subclass (1) real property within any county with a  
42 charter form of government, or within a city not within a county, is made by a computer,  
43 computer-assisted method or a computer program, the burden of proof, supported by clear,  
44 convincing and cogent evidence to sustain such valuation, shall be on the assessor at any  
45 hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a  
46 presumption that the assessment was made by a computer, computer-assisted method or a  
47 computer program. Such evidence shall include, but shall not be limited to, the following:  
48       (1) The findings of the assessor based on an appraisal of the property by generally  
49 accepted appraisal techniques; and  
50       (2) The purchase prices from sales of at least three comparable properties and the  
51 address or location thereof. As used in this subdivision, the word "comparable" means that:  
52       (a) Such sale was closed at a date relevant to the property valuation; and

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

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

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

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

65 (2) Livestock, twelve percent;

66 (3) Farm machinery, twelve percent;

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

71 (5) Poultry, twelve percent; and

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

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

81 5. (1) All subclasses of real property, as such subclasses are established in Section 4  
82 (b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed  
83 at the following percentages of true value:

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

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

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

87 (2) A taxpayer may apply to the county assessor, or, if not located within a county,  
88 then the assessor of such city, for the reclassification of such taxpayer's real property if the use  
89 or purpose of such real property is changed after such property is assessed under the

90 provisions of this chapter. If the assessor determines that such property shall be reclassified,  
91 he or she shall determine the assessment under this subsection based on the percentage of the  
92 tax year that such property was classified in each subclassification.

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

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

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

117         9. The assessor of each county and each city not within a county shall use the trade-in  
118 value published in the October issue of the National Automobile Dealers' Association Official  
119 Used Car Guide, or its successor publication, as the recommended guide of information for  
120 determining the true value of motor vehicles described in such publication. The assessor shall  
121 not use a value that is greater than the average trade-in value in determining the true value of  
122 the motor vehicle without performing a physical inspection of the motor vehicle. For vehicles  
123 two years old or newer from a vehicle's model year, the assessor may use a value other than  
124 average without performing a physical inspection of the motor vehicle. In the absence of a  
125 listing for a particular motor vehicle in such publication, the assessor shall use such

126 information or publications which in the assessor's judgment will fairly estimate the true  
127 value in money of the motor vehicle.

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

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

138           12. A physical inspection, as required by subsection 10 of this section, shall include,  
139 but not be limited to, an on-site personal observation and review of all exterior portions of the  
140 land and any buildings and improvements to which the inspector has or may reasonably and  
141 lawfully gain external access, and shall include an observation and review of the interior of  
142 any buildings or improvements on the property upon the timely request of the owner pursuant  
143 to subsection 11 of this section. Mere observation of the property via a drive-by inspection or  
144 the like shall not be considered sufficient to constitute a physical inspection as required by  
145 this section.

146           13. A county or city collector may accept credit cards as proper form of payment of  
147 outstanding property tax or license due. No county or city collector may charge surcharge for  
148 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,  
149 processor, or issuer for its service. A county or city collector may accept payment by  
150 electronic transfers of funds in payment of any tax or license and charge the person making  
151 such payment a fee equal to the fee charged the county by the bank, processor, or issuer of  
152 such electronic payment.

153           14. Any county or city not within a county in this state may, by an affirmative vote of  
154 the governing body of such county, opt out of the provisions of this section and sections  
155 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general  
156 assembly, second regular session and section 137.073 as modified by house committee  
157 substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-  
158 second general assembly, second regular session, for the next year of the general  
159 reassessment, prior to January first of any year. No county or city not within a county  
160 shall exercise this opt-out provision after implementing the provisions of this section and  
161 sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first  
162 general assembly, second regular session and section 137.073 as modified by house

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

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

184         16. Any portion of real property that is available as reserve for strip, surface, or coal  
185 mining for minerals for purposes of excavation for future use or sale to others that has not  
186 been bonded and permitted under chapter 444 shall be assessed based upon how the real  
187 property is currently being used. Any information provided to a county assessor, state tax  
188 commission, state agency, or political subdivision responsible for the administration of tax  
189 policies shall, in the performance of its duties, make available all books, records, and  
190 information requested, except such books, records, and information as are by law declared  
191 confidential in nature, including individually identifiable information regarding a specific  
192 taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall  
193 mean all real property that is in use or readily available as a reserve for strip, surface, or coal  
194 mining for minerals for purposes of excavation for current or future use or sale to others that  
195 has been bonded and permitted under chapter 444.

196         **17. (1) Except as provided under sections 137.017 and 137.021, and**  
197 **notwithstanding any other provision of this section or any other provision of law to**  
198 **the contrary, beginning January 1, 2026, the true value in money of all residential real**  
199 **property maintained and used by the owner as a primary residence for assessment**

200 purposes shall be the same value determined at the most recent previous assessment of  
201 the property as determined on or before December 31, 2025, subject to the following:

202 (a) For all residential real property maintained and used by the owner as a  
203 primary residence that is bought, transferred, sold, assigned, or otherwise conveyed on  
204 or after January 1, 2026, the true value in money of such property for assessment  
205 purposes shall not exceed the most recent purchase price of such real property. Such  
206 true value in money shall be the true value in money for all subsequent assessments until  
207 the next sale of such property, or the conditions under paragraph (b) of this subdivision  
208 are met, subject to the provisions of section 137.082 and the provisions of subdivisions  
209 (3) and (4) of this subsection; or

210 (b) For all assessments of residential real property maintained and used by the  
211 owner as a primary residence on or after January 1, 2026, the assessed valuation of such  
212 property may be increased from the assessed valuation of such property determined at  
213 its most recent previous assessment or the assessed value at the most recent time of sale  
214 under paragraph (a) of this subdivision but only to the extent that such an increase  
215 reflects the value added to the property as a result of new construction or improvements  
216 made to the property where the added value equals a fifty percent increase or greater in  
217 the assessed valuation of the property. The assessor shall establish a new assessed  
218 valuation, which shall be the true value in money for all subsequent assessments until  
219 the conditions under this paragraph are met again or the next sale of such property  
220 under paragraph (a) of this subdivision, subject to the provisions of section 137.082 and  
221 the provisions of subdivisions (3) and (4) of this subsection.

222 (2) If a transaction under this subsection results in a sale that is below market  
223 value, the assessor shall provide evidence to the board of equalization or other  
224 equivalent entity that such sale price should not be used to determine the new true value  
225 in money for assessment purposes.

226 (3) The owner shall notify the assessor of such new construction or  
227 improvements so that a reassessment can be made.

228 (4) Participation in the assessed valuation provisions under this subsection is  
229 optional. An owner electing to participate in the assessed valuation provisions under  
230 this subsection may opt in by notifying the assessor's office of such election. If such  
231 election is not made, the residential real property maintained and used by the owner as a  
232 primary residence shall be assessed under the assessment process in existence on or  
233 before December 31, 2025.

234 (5) The provisions of this subsection shall not affect the ability of any county  
235 assessor to carry out any other duties under this chapter or local or general law.

137.180. 1. Whenever any assessor shall increase the valuation of any real property he shall forthwith notify the record owner of such increase, either in person, or by mail directed to the last known address; every such increase in assessed valuation made by the assessor shall be subject to review by the county board of equalization whereat the landowner shall be entitled to be heard, and the notice to the landowner shall so state.

2. Effective January 1, 2009, for all counties with a charter form of government, other than any county adopting a charter form of government after January 1, 2008, whenever any assessor shall increase the valuation of any real property, he or she shall forthwith notify the record owner on or before June fifteenth of such increase and, in a year of general reassessment, the county shall notify the record owner of the projected tax liability likely to result from such an increase, either in person, or by mail directed to the last known address; every such increase in assessed valuation made by the assessor shall be subject to review by the county board of equalization whereat the landowner shall be entitled to be heard, and the notice to the landowner shall so state. Notice of the projected tax liability from the county shall accompany the notice of increased valuation from the assessor.

3. For all calendar years prior to the first day of January of the year following receipt of software necessary for the implementation of the requirements provided under subsections 4 and 5 of this section from the state tax commission, for any county not subject to the provisions of subsection 2 of this section or subsection 2 of section 137.355, whenever any assessor shall increase the valuation of any real property, he or she shall forthwith notify the record owner on or before June fifteenth of the previous assessed value and such increase either in person, or by mail directed to the last known address and include in such notice a statement indicating that the change in assessed value may impact the record owner's tax liability and provide all processes and deadlines for appealing determinations of the assessed value of such property. Such notice shall be provided in a font and format sufficient to alert a record owner of the potential impact upon tax liability and the appellate processes available.

4. Effective January first of the year following receipt of software necessary for the implementation of the requirements provided under this subsection and subsection 5 of this section from the state tax commission, for all counties not subject to the provisions of subsection 2 of this section or subsection 2 of section 137.355, whenever any assessor shall increase the valuation of any real property, he or she shall forthwith notify the record owner on or before June fifteenth of such increase and, in a year of general reassessment, the county shall notify the record owner of the projected tax liability likely to result from such an increase, either in person, or by mail directed to the last known address; every such increase in assessed valuation made by the assessor shall be subject to review by the county board of equalization whereat the landowner shall be entitled to be heard, and the notice to the

37 landowner shall so state. Notice of the projected tax liability from the county shall  
38 accompany the notice of increased valuation from the assessor.

39 5. The notice of projected tax liability, required under subsections 2 and 4 of this  
40 section, from the county shall include:

41 (1) The record owner's name, address, and the parcel number of the property;

42 (2) A list of all political subdivisions levying a tax upon the property of the record  
43 owner;

44 (3) The projected tax rate for each political subdivision levying a tax upon the  
45 property of the record owner, and the purpose for each levy of such political subdivisions;

46 (4) The previous year's tax rates for each individual tax levy imposed by each  
47 political subdivision levying a tax upon the property of the record owner;

48 (5) The tax rate ceiling for each levy imposed by each political subdivision levying a  
49 tax upon the property of the record owner;

50 (6) The contact information for each political subdivision levying a tax upon the  
51 property of the record owner;

52 (7) A statement identifying any projected tax rates for political subdivisions levying a  
53 tax upon the property of the record owner, which were not calculated and provided by the  
54 political subdivision levying the tax; and

55 (8) The total projected property tax liability of the taxpayer.

56 6. In addition to the requirements provided under subsections 1, 2, and 5 of this  
57 section, effective January 1, 2011, in any county with a charter form of government and with  
58 more than one million inhabitants, whenever any assessor shall notify a record owner of any  
59 change in assessed value, such assessor shall provide notice that information regarding the  
60 **specific** assessment method and **the basis of the** computation of value for such property is  
61 available on the assessor's website and provide the exact website address at which such  
62 information may be accessed. Such notification shall provide the assessor's contact  
63 information to enable taxpayers without internet access to request and receive information  
64 regarding the assessment method and computation of value for such property. **If any third**  
65 **party documents, reports, or other data was relied upon by the assessor in the**  
66 **computation of assessed value, the same shall be disclosed to the record owner on the**  
67 **assessor's website.**

137.355. 1. If an assessor increases the valuation of any tangible personal property as  
2 estimated in the itemized list furnished to the assessor, and if an assessor increases the  
3 valuation of any real property, he shall forthwith notify the record owner of the increase either  
4 in person or by mail directed to the last known address, and if the address of the owner is  
5 unknown notice shall be given by publication in two newspapers published in the county.

6           2. For all calendar years prior to the first day of January of the year following receipt  
7 of software necessary for the implementation of the requirements provided under subsections  
8 3 and 4 of this section from the state tax commission, whenever any assessor shall increase  
9 the valuation of any real property, he or she shall forthwith notify the record owner on or  
10 before June fifteenth of the previous assessed value and such increase either in person, or by  
11 mail directed to the last known address and include on the face of such notice, in no less than  
12 twelve-point font, the following statement:

13

14 NOTICE TO TAXPAYER: IF YOUR ASSESSED VALUE HAS INCREASED, IT MAY  
15 INCREASE YOUR REAL PROPERTY TAXES WHICH ARE DUE DECEMBER THIRTY-  
16 FIRST. IF YOU DO NOT AGREE THAT THE VALUE OF YOUR PROPERTY HAS  
17 INCREASED, YOU MUST CHALLENGE THE VALUE ON OR BEFORE \_\_\_\_\_  
18 (INSERT DATE BY WHICH APPEAL MUST BE FILED) BY CONTACTING YOUR  
19 COUNTY ASSESSOR.

20           3. Effective January first of the year following receipt of software necessary for the  
21 implementation of the requirements provided under this subsection and subsection 4 of this  
22 section from the state tax commission, if an assessor increases the valuation of any real  
23 property, the assessor, on or before June fifteenth, shall notify the record owner of the  
24 increase and, in a year of general reassessment, the county shall notify the record owner of the  
25 projected tax liability likely to result from such an increase either in person or by mail  
26 directed to the last known address, and, if the address of the owner is unknown, notice shall  
27 be given by publication in two newspapers published in the county. Notice of the projected  
28 tax liability from the county shall accompany the notice of increased valuation from the  
29 assessor.

30           4. The notice of projected tax liability, required under subsection 3 of this section,  
31 from the county shall include:

32           (1) Record owner's name, address, and the parcel number of the property;

33           (2) A list of all political subdivisions levying a tax upon the property of the record  
34 owner;

35           (3) The projected tax rate for each political subdivision levying a tax upon the  
36 property of the record owner, and the purpose for each levy of such political subdivisions;

37           (4) The previous year's tax rates for each individual tax levy imposed by each  
38 political subdivision levying a tax upon the property of the record owner;

39           (5) The tax rate ceiling for each levy imposed by each political subdivision levying a  
40 tax upon the property of the record owner;

41           (6) The contact information for each political subdivision levying a tax upon the  
42 property of the record owner;

43 (7) A statement identifying any projected tax rates for political subdivisions levying a  
44 tax upon the property of the record owner, which were not calculated and provided by the  
45 political subdivision levying the tax; and

46 (8) The total projected property tax liability of the taxpayer.

47 **5. Whenever any assessor shall notify a record owner of any increase in assessed**  
48 **value as required by subsection 3 of this section, such assessor shall provide notice that**  
49 **information regarding the specific assessment method and the basis of the computation**  
50 **of value for such property is available on the assessor's website, and shall provide the**  
51 **exact website address at which such information may be accessed. Such notification**  
52 **shall provide the assessor's contact information to enable taxpayers without internet**  
53 **access to request and receive information regarding the assessment method and**  
54 **computation of value for such property. If any third-party documents, reports, or other**  
55 **data was relied upon by the assessor in the computation of assessed value, the same shall**  
56 **be disclosed to the record owner on the assessor's website.**

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