

FIRST REGULAR SESSION

HOUSE BILL NO. 903

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE WEST.

1926H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

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

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

Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows:

137.115. 1. **(1)** All other laws to the contrary notwithstanding, the assessor or the assessor's deputies in all counties of this state including the City of St. Louis shall annually make a list of all real and tangible personal property taxable in the assessor's city, county, town or district. Except as otherwise provided in subsection 3 of this section and section 137.078, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year **through calendar year 2025**.

(2) Except as otherwise provided in subsection 3 of this section and section 137.078, beginning on or after January 1, 2026, the percentage of the true value in money at which tangible personal property is subject to assessment under the provisions of this subsection shall be reduced by five and one-ninth percent each year for a period of three years. The assessor shall annually assess all personal property as of January first of each calendar year at such percentages as follows:

(a) For the calendar year 2026, twenty-eight and two-ninths percent of its true value in money;

(b) For the calendar year 2027, twenty-three and one-ninth percent of its true value in money; and

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 **(c) For the calendar year 2028 and all subsequent years, eighteen percent of its**
19 **true value in money.**

20 **(3)** The assessor shall annually assess all real property, including any new
21 construction and improvements to real property, and possessory interests in real property at
22 the percent of its true value in money set in subsection 5 of this section. The true value in
23 money of any possessory interest in real property in subclass (3), where such real property is
24 on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as
25 defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and
26 owned by a political subdivision, shall be the otherwise applicable true value in money of any
27 such possessory interest in real property, less the total dollar amount of costs paid by a party,
28 other than the political subdivision, towards any new construction or improvements on such
29 real property completed after January 1, 2008, and which are included in the above-
30 mentioned possessory interest, regardless of the year in which such costs were incurred or
31 whether such costs were considered in any prior year. The assessor shall annually assess all
32 real property in the following manner: new assessed values shall be determined as of January
33 first of each odd-numbered year and shall be entered in the assessor's books; those same
34 assessed values shall apply in the following even-numbered year, except for new construction
35 and property improvements which shall be valued as though they had been completed as of
36 January first of the preceding odd-numbered year. The assessor may call at the office, place
37 of doing business, or residence of each person required by this chapter to list property, and
38 require the person to make a correct statement of all taxable tangible personal property owned
39 by the person or under his or her care, charge or management, taxable in the county. On or
40 before January first of each even-numbered year, the assessor shall prepare and submit a two-
41 year assessment maintenance plan to the county governing body and the state tax commission
42 for their respective approval or modification. The county governing body shall approve and
43 forward such plan or its alternative to the plan to the state tax commission by February first.
44 If the county governing body fails to forward the plan or its alternative to the plan to the state
45 tax commission by February first, the assessor's plan shall be considered approved by the
46 county governing body. If the state tax commission fails to approve a plan and if the state tax
47 commission and the assessor and the governing body of the county involved are unable to
48 resolve the differences, in order to receive state cost-share funds outlined in section 137.750,
49 the county or the assessor shall petition the administrative hearing commission, by May first,
50 to decide all matters in dispute regarding the assessment maintenance plan. Upon agreement
51 of the parties, the matter may be stayed while the parties proceed with mediation or
52 arbitration upon terms agreed to by the parties. The final decision of the administrative
53 hearing commission shall be subject to judicial review in the circuit court of the county
54 involved. In the event a valuation of subclass (1) real property within any county with a

55 charter form of government, or within a city not within a county, is made by a computer,
56 computer-assisted method or a computer program, the burden of proof, supported by clear,
57 convincing and cogent evidence to sustain such valuation, shall be on the assessor at any
58 hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a
59 presumption that the assessment was made by a computer, computer-assisted method or a
60 computer program. Such evidence shall include, but shall not be limited to, the following:

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

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

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

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

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

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

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

79 (2) Livestock, twelve percent;

80 (3) Farm machinery, twelve percent;

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

85 (5) Poultry, twelve percent; and

86 (6) Tools and equipment used for pollution control and tools and equipment used in
87 retooling for the purpose of introducing new product lines or used for making improvements
88 to existing products by any company which is located in a state enterprise zone and which is
89 identified by any standard industrial classification number cited in subdivision (7) of section
90 135.200, twenty-five percent.

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

95 5. (1) All subclasses of real property, as such subclasses are established in Section 4
96 (b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed
97 at the following percentages of true value:

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

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

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

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

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

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

125 8. Any amount of tax due and owing based on the assessment of a manufactured
126 home shall be included on the personal property tax statement of the manufactured home
127 owner unless the manufactured home is deemed to be real estate as defined in subsection 7 of

128 section 442.015, in which case the amount of tax due and owing on the assessment of the
129 manufactured home as a realty improvement to the existing real estate parcel shall be
130 included on the real property tax statement of the real estate owner.

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

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

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

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

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

165 such payment a fee equal to the fee charged the county by the bank, processor, or issuer of
166 such electronic payment.

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

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

198 16. Any portion of real property that is available as reserve for strip, surface, or coal
199 mining for minerals for purposes of excavation for future use or sale to others that has not
200 been bonded and permitted under chapter 444 shall be assessed based upon how the real
201 property is currently being used. Any information provided to a county assessor, state tax

202 commission, state agency, or political subdivision responsible for the administration of tax
203 policies shall, in the performance of its duties, make available all books, records, and
204 information requested, except such books, records, and information as are by law declared
205 confidential in nature, including individually identifiable information regarding a specific
206 taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall
207 mean all real property that is in use or readily available as a reserve for strip, surface, or coal
208 mining for minerals for purposes of excavation for current or future use or sale to others that
209 has been bonded and permitted under chapter 444.

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