

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

**Offered By**

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1 AMEND House Bill No. 1800, Page 1, Section A, Line 2, by inserting after all of said lines the  
2 following:

3  
4 "137.016. 1. As used in Section 4(b) of Article X of the Missouri Constitution, the  
5 following terms mean:

6 (1) "Residential property", all real property improved by a structure which is used or  
7 intended to be used for residential living by human occupants, vacant land in connection with an  
8 airport, land used as a golf course, manufactured home parks, bed and breakfast inns in which  
9 the owner resides and uses as a primary residence with six or fewer rooms for rent, and time-  
10 share units as defined in section 407.600, except to the extent such units are actually rented and  
11 subject to sales tax under subdivision (6) of subsection 1 of section 144.020, but residential  
12 property shall not include other similar facilities used primarily for transient housing. For the  
13 purposes of this section, "transient housing" means all rooms available for rent or lease for which  
14 the receipts from the rent or lease of such rooms are subject to state sales tax pursuant to  
15 subdivision (6) of subsection 1 of section 144.020;

16 (2) "Agricultural and horticultural property", all real property used for agricultural  
17 purposes and devoted primarily to the raising and harvesting of crops; to the feeding, breeding  
18 and management of livestock which shall include breeding, showing, and boarding of horses; to  
19 dairying, or to any other combination thereof; and buildings and structures customarily  
20 associated with farming, agricultural, and horticultural uses. Agricultural and horticultural  
21 property shall also include land devoted to and qualifying for payments or other compensation  
22 under a soil conservation or agricultural assistance program under an agreement with an agency  
23 of the federal government. Agricultural and horticultural property shall further include any  
24 reliever airport. Real property classified as forest croplands shall not be agricultural or  
25 horticultural property so long as it is classified as forest croplands and shall be taxed in  
26 accordance with the laws enacted to implement Section 7 of Article X of the Missouri  
27 Constitution. Agricultural and horticultural property shall also include any sawmill or planing  
28 mill defined in the U.S. Department of Labor's Standard Industrial Classification (SIC) Manual  
29 under Industry Group 242 with the SIC number 2421. Agricultural and horticultural property  
30 shall also include urban and community gardens. For the purposes of this section, "urban and

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1 community gardens" shall include real property cultivated by residents of a neighborhood or  
2 community for the purposes of providing agricultural products, as defined in section 262.900, for  
3 the use of residents of the neighborhood or community, and shall not include a garden intended  
4 for individual or personal use;

5 (3) "Utility, industrial, commercial, railroad and other real property", all real property  
6 used directly or indirectly for any commercial, mining, industrial, manufacturing, trade,  
7 professional, business, or similar purpose, including all property centrally assessed by the state  
8 tax commission but shall not include floating docks, portions of which are separately owned and  
9 the remainder of which is designated for common ownership and in which no one person or  
10 business entity owns more than five individual units. All other real property not included in the  
11 property listed in subclasses (1) and (2) of Section 4(b) of Article X of the Missouri Constitution,  
12 as such property is defined in this section, shall be deemed to be included in the term "utility,  
13 industrial, commercial, railroad and other real property";

14 (4) "Assessment value", for real property assessment purposes:

15 (a) For a building, the value of the building using the replacement cost approach,  
16 reconciled with other applicable approaches to real property valuation;

17 (b) For land other than agricultural or horticultural land, such land's value as determined  
18 by the market; and

19 (c) For agricultural and horticultural land, the productive capability of the land as  
20 determined under section 137.021.

21 2. Pursuant to Article X of the state Constitution, any taxing district may adjust its  
22 operating levy to recoup any loss of property tax revenue, except revenues from the surtax  
23 imposed pursuant to Article X, Subsection 2 of Section 6 of the Constitution, as the result of  
24 changing the classification of structures intended to be used for residential living by human  
25 occupants which contain five or more dwelling units if such adjustment of the levy does not  
26 exceed the highest tax rate in effect subsequent to the 1980 tax year. For purposes of this  
27 section, loss in revenue shall include the difference between the revenue that would have been  
28 collected on such property under its classification prior to enactment of this section and the  
29 amount to be collected under its classification under this section. The county assessor of each  
30 county or city not within a county shall provide information to each taxing district within its  
31 boundaries regarding the difference in assessed valuation of such property as the result of such  
32 change in classification.

33 3. All reclassification of property as the result of changing the classification of structures  
34 intended to be used for residential living by human occupants which contain five or more  
35 dwelling units shall apply to assessments made after December 31, 1994.

36 4. Where real property is used or held for use for more than one purpose and such uses  
37 result in different classifications, the county assessor shall allocate to each classification the  
38 percentage of the true value in money of the property devoted to each use; except that, where

1 agricultural and horticultural property, as defined in this section, also contains a dwelling unit or  
 2 units, the farm dwelling, appurtenant residential-related structures and up to five acres  
 3 immediately surrounding such farm dwelling shall be residential property, as defined in this  
 4 section, provided that the portion of property used or held for use as an urban and community  
 5 garden shall not be residential property. This subsection shall not apply to any reliever airport.

6 5. All real property which is vacant, unused, or held for future use; which is used for a  
 7 private club, a not-for-profit or other nonexempt lodge, club, business, trade, service  
 8 organization, or similar entity; or for which a determination as to its classification cannot be  
 9 made under the definitions set out in subsection 1 of this section, shall be classified according to  
 10 its immediate most suitable economic use, which use shall be determined after consideration of:

11 (1) Immediate prior use, if any, of such property;

12 (2) Location of such property;

13 (3) Zoning classification of such property; except that, such zoning classification shall  
 14 not be considered conclusive if, upon consideration of all factors, it is determined that such  
 15 zoning classification does not reflect the immediate most suitable economic use of the property;

16 (4) Other legal restrictions on the use of such property;

17 (5) Availability of water, electricity, gas, sewers, street lighting, and other public services  
 18 for such property;

19 (6) Size of such property;

20 (7) Access of such property to public thoroughfares; and

21 (8) Any other factors relevant to a determination of the immediate most suitable  
 22 economic use of such property.

23 6. All lands classified as forest croplands shall not, for taxation purposes, be classified as  
 24 subclass (1), subclass (2), or subclass (3) real property, as such classes are prescribed in Section  
 25 4(b) of Article X of the Missouri Constitution and defined in this section, but shall be taxed in  
 26 accordance with the laws enacted to implement Section 7 of Article X of the Missouri  
 27 Constitution."; and

28  
 29 Further amend said bill, Page 10, Section 137.073, Line 339, by inserting after all of said section  
 30 and line the following:

31  
 32 "138.390. 1. The state tax commission shall equalize the valuation of real and tangible  
 33 personal property among the several counties in the state in the following manner: with the  
 34 abstracts of all the taxable property in the several counties of the state and the abstracts of the  
 35 sales of real estate in such counties as returned by the respective county clerks and the assessor  
 36 of the city of St. Louis, the commission shall classify all real estate situate in cities, towns, and  
 37 villages, as town lots, and all other real estate as farming lands, and shall classify all tangible  
 38 personal property as follows: banking corporations, railroad corporations, street railroad

1 corporations, all other corporations, horses, mares and geldings, mules, asses and jennets, neat  
2 cattle, sheep, swine, goats, domesticated small animals and all other livestock, poultry, power  
3 machinery, farm implements, other tangible personal property.

4 2. (1) The state tax commission shall equalize the valuation of each class or subclass of  
5 property thereof among the respective counties of the state in the following manner:

6 ~~[(1)]~~ (a) It shall add to the valuation of each class, subclass, or portion thereof of the  
7 property, real or tangible personal, of each county which it believes to be valued below its real  
8 value in money such amount or percent as will increase the same in each case to its true value;

9 ~~[(2)]~~ (b) It shall deduct from the valuation of each class, subclass, or portion thereof of  
10 the property, real or tangible personal, of each county which it believes to be valued above its  
11 real value in money such amount or percent as will reduce the same in each case to its true value.

12 (2) (a) For the purposes of this subsection, the state tax commission shall utilize ratio  
13 studies to determine whether a class or subclass of property is valued below or above its true  
14 value in money.

15 (b) A class or subclass of property shall be considered to be valued below its true value  
16 in money if:

17 a. The weighted median ratio is less than seventy percent and the coefficient of  
18 dispersion is greater than twenty-five percent; or

19 b. The weighted median ratio is less than seventy percent and the upper bound of the  
20 ninety-five percent confidence interval for the weighted median is less than seventy percent.

21 (c) A class or subclass of property shall be considered to be valued above its true value  
22 in money if:

23 a. The weighted median ratio is greater than one hundred percent and the coefficient of  
24 dispersion is greater than twenty-five percent; or

25 b. The weighted median ratio is greater than one hundred percent and the upper bound of  
26 the ninety-five percent confidence interval for the weighted median is greater than one hundred  
27 percent."; and

28  
29 Further amend said bill by amending the title, enacting clause, and intersectional references  
30 accordingly.