

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute No. 2 for House Bill No. 2668, Page 36, Section 115.706,
2 Line 62, by inserting after all of said section and line the following:
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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. A single-
13 family home owned by a sole proprietor, individual, partnership, or limited liability company
14 that is leased for a term of less than thirty consecutive days, in whole or in part, subject to sales
15 tax under subdivision (6) of subsection 1 of section 144.020 shall be classified only as residential
16 property. For the purposes of this section, "transient housing" means all rooms available for rent
17 or lease for which the receipts from the rent or lease of such rooms are subject to state sales tax
18 pursuant to subdivision (6) of subsection 1 of section 144.020; the leasing of a single-family
19 home, in whole or in part, for a term of less than thirty consecutive days does not in itself
20 constitute "transient housing";

21 (2) "Agricultural and horticultural property", all real property used for agricultural
22 purposes and devoted primarily to the raising and harvesting of crops; to the feeding, breeding
23 and management of livestock which shall include breeding, showing, and boarding of horses; to
24 dairying, or to any other combination thereof; and buildings and structures customarily
25 associated with farming, agricultural, and horticultural uses. Agricultural and horticultural
26 property shall also include land devoted to and qualifying for payments or other compensation
27 under a soil conservation or agricultural assistance program under an agreement with an agency
28 of the federal government. Agricultural and horticultural property shall further include any
29 reliever airport. Real property classified as forest croplands shall not be agricultural or
30 horticultural property so long as it is classified as forest croplands and shall be taxed in

Action Taken _____ Date _____

1 accordance with the laws enacted to implement Section 7 of Article X of the Missouri
2 Constitution. Agricultural and horticultural property shall also include any sawmill or planing
3 mill defined in the U.S. Department of Labor's Standard Industrial Classification (SIC) Manual
4 under Industry Group 242 with the SIC number 2421. Agricultural and horticultural property
5 shall also include urban and community gardens. For the purposes of this section, "urban and
6 community gardens" shall include real property cultivated by residents of a neighborhood or
7 community for the purposes of providing agricultural products, as defined in section 262.900, for
8 the use of residents of the neighborhood or community, and shall not include a garden intended
9 for individual or personal use;

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

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

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

34 4. Where real property is used or held for use for more than one purpose and such uses
35 result in different classifications, the county assessor shall allocate to each classification the
36 percentage of the true value in money of the property devoted to each use; except that, where
37 agricultural and horticultural property, as defined in this section, also contains a dwelling unit or
38 units, the farm dwelling, appurtenant residential-related structures and up to five acres

1 immediately surrounding such farm dwelling shall be residential property, as defined in this
2 section, provided that the portion of property used or held for use as an urban and community
3 garden shall not be residential property. This subsection shall not apply to any reliever airport.

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

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

10 (2) Location of such property;

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

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

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

17 (6) Size of such property;

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

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

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

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