

SECOND REGULAR SESSION

# HOUSE BILL NO. 2756

## 103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE POCHE.

4095H.011

JOSEPH ENGLER, Chief Clerk

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### AN ACT

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

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*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Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows: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. 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. The assessor shall annually assess all real property, including any new construction and improvements to real property, and possessory interests in real property at the percent of its true value in money set in subsection 5 of this section. The true value in money of any possessory interest in real property in subclass (3), where such real property is on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a political subdivision, shall be the otherwise applicable true value in money of any such possessory interest in real property, less the total dollar amount of costs paid by a party, other than the political subdivision, towards any new construction or improvements on such real property completed after January 1, 2008, and which are included in the above-mentioned possessory interest, regardless of the year in which such costs were incurred or whether such costs were

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 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;

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; and

77 (7) Solar panels, racking systems, inverters, and related solar equipment, components,  
78 materials, and supplies installed in connection with solar photovoltaic energy systems, as  
79 described in subdivision (46) of subsection 2 of section 144.030, that were constructed and  
80 producing solar energy prior to August 9, 2022, 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]~~ **ten** percent;

89 (b) For real property in subclass (2), ~~[twelve]~~ **eight** percent; and

90 (c) For real property in subclass (3), ~~[thirty-two]~~ **twenty** 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 a nationally  
122 recognized automotive trade publication such as the National Automobile Dealers'  
123 Association Official Used Car Guide, Kelley Blue Book, Edmunds, or other similar  
124 publication as the recommended guide of information for determining the true value of motor  
125 vehicles described in such publication. The state tax commission shall select and make  
126 available to all assessors which publication shall be used. The assessor of each county and  
127 each city not within a county shall use the trade-in value published in the current October

128 issue of the publication selected by the state tax commission. The assessor shall not use a  
129 value that is greater than the average trade-in value in determining the true value of the motor  
130 vehicle without performing a physical inspection of the motor vehicle. For vehicles two years  
131 old or newer from a vehicle's model year, the assessor may use a value other than average  
132 without performing a physical inspection of the motor vehicle. In the absence of a listing for  
133 a particular motor vehicle in such publication, the assessor shall use such information or  
134 publications that, in the assessor's judgment, will fairly estimate the true value in money of  
135 the motor vehicle. For motor vehicles with a true value of less than fifty thousand dollars as  
136 of January 1, 2025, the assessor shall not assess such motor vehicle for an amount greater  
137 than such motor vehicle was assessed in the previous year, provided that such motor vehicle  
138 was properly assessed in the previous year.

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

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

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

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

14. Any county or city not within a county in this state may, by an affirmative vote of the governing body of such county, opt out of the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of the general reassessment, prior to January first of any year. No county or city not within a county shall exercise this opt-out provision after implementing the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, in a year of general reassessment. For the purposes of applying the provisions of this subsection, a political subdivision contained within two or more counties where at least one of such counties has opted out and at least one of such counties has not opted out shall calculate a single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly, second regular session. A governing body of a city not within a county or a county that has opted out under the provisions of this subsection may choose to implement the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session, and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of general reassessment, by an affirmative vote of the governing body prior to December thirty-first of any year.

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

16. Any portion of real property that is available as reserve for strip, surface, or coal mining for minerals for purposes of excavation for future use or sale to others that has not been bonded and permitted under chapter 444 shall be assessed based upon how the real property is currently being used. Any information provided to a county assessor, state tax commission, state agency, or political subdivision responsible for the administration of tax policies shall, in the performance of its duties, make available all books, records, and

201 information requested, except such books, records, and information as are by law declared  
202 confidential in nature, including individually identifiable information regarding a specific  
203 taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall  
204 mean all real property that is in use or readily available as a reserve for strip, surface, or coal  
205 mining for minerals for purposes of excavation for current or future use or sale to others that  
206 has been bonded and permitted under chapter 444.

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