

SECOND REGULAR SESSION

HOUSE BILL NO. 2756

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE POUCHÉ.

4095H.01I

JOSEPH ENGLER, Chief Clerk

AN ACT

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

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Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows: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

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

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

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