

SECOND REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 1800

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MATTHIESEN.

4169H.01P

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 137.016, 137.073, and 138.390, RSMo, and to enact in lieu thereof three new sections relating to real property assessments.

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

Section A. Sections 137.016, 137.073, and 138.390, RSMo, are repealed and three
2 new sections enacted in lieu thereof, to be known as sections 137.016, 137.073, and 138.390,
3 to read as follows:

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

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

13 (2) "Agricultural and horticultural property", all real property used for agricultural
14 purposes and devoted primarily to the raising and harvesting of crops; to the feeding,

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.

15 breeding and management of livestock which shall include breeding, showing, and boarding
16 of horses; to dairying, or to any other combination thereof; and buildings and structures
17 customarily associated with farming, agricultural, and horticultural uses. Agricultural and
18 horticultural property shall also include land devoted to and qualifying for payments or other
19 compensation under a soil conservation or agricultural assistance program under an
20 agreement with an agency of the federal government. Agricultural and horticultural property
21 shall further include any reliever airport. Real property classified as forest croplands shall not
22 be agricultural or horticultural property so long as it is classified as forest croplands and shall
23 be taxed in accordance with the laws enacted to implement Section 7 of Article X of the
24 Missouri Constitution. Agricultural and horticultural property shall also include any sawmill
25 or planing mill defined in the U.S. Department of Labor's Standard Industrial Classification
26 (SIC) Manual under Industry Group 242 with the SIC number 2421. Agricultural and
27 horticultural property shall also include urban and community gardens. For the purposes of
28 this section, "urban and community gardens" shall include real property cultivated by
29 residents of a neighborhood or community for the purposes of providing agricultural
30 products, as defined in section 262.900, for the use of residents of the neighborhood or
31 community, and shall not include a garden intended for individual or personal use;

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

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

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

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

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

48 2. Pursuant to Article X of the state Constitution, any taxing district may adjust its
49 operating levy to recoup any loss of property tax revenue, except revenues from the surtax
50 imposed pursuant to Article X, Subsection 2 of Section 6 of the Constitution, as the result of
51 changing the classification of structures intended to be used for residential living by human

52 occupants which contain five or more dwelling units if such adjustment of the levy does not
53 exceed the highest tax rate in effect subsequent to the 1980 tax year. For purposes of this
54 section, loss in revenue shall include the difference between the revenue that would have been
55 collected on such property under its classification prior to enactment of this section and the
56 amount to be collected under its classification under this section. The county assessor of each
57 county or city not within a county shall provide information to each taxing district within its
58 boundaries regarding the difference in assessed valuation of such property as the result of
59 such change in classification.

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

63 4. Where real property is used or held for use for more than one purpose and such
64 uses result in different classifications, the county assessor shall allocate to each classification
65 the percentage of the true value in money of the property devoted to each use; except that,
66 where agricultural and horticultural property, as defined in this section, also contains a
67 dwelling unit or units, the farm dwelling, appurtenant residential-related structures and up to
68 five acres immediately surrounding such farm dwelling shall be residential property, as
69 defined in this section, provided that the portion of property used or held for use as an urban
70 and community garden shall not be residential property. This subsection shall not apply to
71 any reliever airport.

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

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

79 (2) Location of such property;

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

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

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

87 (6) Size of such property;

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

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

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

137.073. 1. As used in this section, the following terms mean:

2 (1) "General reassessment", changes in value, entered in the assessor's books, of a
3 substantial portion of the parcels of real property within a county resulting wholly or partly
4 from reappraisal of value or other actions of the assessor or county equalization body or
5 ordered by the state tax commission or any court;

6 (2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for
7 each purpose of taxation of property a taxing authority is authorized to levy without a vote
8 and any tax rate authorized by election, including bond interest and sinking fund;

9 (3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the
10 provisions of this section or when a court has determined the tax rate; except that, other
11 provisions of law to the contrary notwithstanding, a school district may levy the operating
12 levy for school purposes required for the current year pursuant to subsection 2 of section
13 163.021, less all adjustments required pursuant to Article X, Section 22 of the Missouri
14 Constitution, if such tax rate does not exceed the highest tax rate in effect subsequent to the
15 1980 tax year. This is the maximum tax rate that may be levied, unless a higher tax rate
16 ceiling is approved by voters of the political subdivision as provided in this section;

17 (4) "Tax revenue", when referring to the previous year, means the actual receipts from
18 ad valorem levies on all classes of property, including state-assessed property, in the
19 immediately preceding fiscal year of the political subdivision, plus an allowance for taxes
20 billed but not collected in the fiscal year and plus an additional allowance for the revenue
21 which would have been collected from property which was annexed by such political
22 subdivision but which was not previously used in determining tax revenue pursuant to this
23 section. The term "tax revenue" shall not include any receipts from ad valorem levies on any
24 property of a railroad corporation or a public utility, as these terms are defined in section
25 386.020, which were assessed by the assessor of a county or city in the previous year but are
26 assessed by the state tax commission in the current year. All school districts and those
27 counties levying sales taxes pursuant to chapter 67 shall include in the calculation of tax
28 revenue an amount equivalent to that by which they reduced property tax levies as a result of
29 sales tax pursuant to section 67.505 and section 164.013 [~~or as excess home dock city or~~
30 ~~county fees as provided in subsection 4 of section 313.820]~~ in the immediately preceding

31 fiscal year but not including any amount calculated to adjust for prior years. For purposes of
32 political subdivisions which were authorized to levy a tax in the prior year but which did not
33 levy such tax or levied a reduced rate, the term "tax revenue", as used in relation to the
34 revision of tax levies mandated by law, shall mean the revenues equal to the amount that
35 would have been available if the voluntary rate reduction had not been made.

36 2. **(1)** Whenever changes in assessed valuation are entered in the assessor's books for
37 any personal property, in the aggregate, or for any subclass of real property as such subclasses
38 are established in Section 4(b) of Article X of the Missouri Constitution and defined in
39 section 137.016, the county clerk in all counties and the assessor of St. Louis City shall notify
40 each political subdivision wholly or partially within the county or St. Louis City of the change
41 in valuation of each subclass of real property, individually, and personal property, in the
42 aggregate, exclusive of new construction and improvements. All political subdivisions shall
43 immediately revise the applicable rates of levy for each purpose for each subclass of real
44 property, individually, and personal property, in the aggregate, for which taxes are levied to
45 the extent necessary to produce from all taxable property, exclusive of new construction and
46 improvements, substantially the same amount of tax revenue as was produced in the previous
47 year for each subclass of real property, individually, and personal property, in the aggregate,
48 except that the rate shall not exceed the greater of the most recent voter-approved rate or the
49 most recent voter-approved rate as adjusted under subdivision (2) of subsection 5 of this
50 section.

51 **(2)** Any political subdivision that has received approval from voters for a tax increase
52 after August 27, 2008, may levy a rate to collect substantially the same amount of tax revenue
53 as the amount of revenue that would have been derived by applying the voter-approved
54 increased tax rate ceiling to the total assessed valuation of the political subdivision as most
55 recently certified by the city or county clerk on or before the date of the election in which
56 such increase is approved, increased by the percentage increase in the consumer price index,
57 as provided by law, except that the rate shall not exceed the greater of the most recent voter-
58 approved rate or the most recent voter-approved rate as adjusted under subdivision (2) of
59 subsection 5 of this section. Such tax revenue shall not include any receipts from ad valorem
60 levies on any real property which was assessed by the assessor of a county or city in such
61 previous year but is assessed by the assessor of a county or city in the current year in a
62 different subclass of real property.

63 **(3)** Where the taxing authority is a school district for the purposes of revising the
64 applicable rates of levy for each subclass of real property, the tax revenues from state-
65 assessed railroad and utility property shall be apportioned and attributed to each subclass of
66 real property based on the percentage of the total assessed valuation of the county that each
67 subclass of real property represents in the current taxable year.

68 **(4)** As provided in Section 22 of Article X of the constitution, a political subdivision
69 may also revise each levy to allow for inflationary assessment growth occurring within the
70 political subdivision. The inflationary growth factor for any such subclass of real property or
71 personal property shall be limited to the actual assessment growth in such subclass or class,
72 exclusive of new construction and improvements, and exclusive of the assessed value on any
73 real property which was assessed by the assessor of a county or city in the current year in a
74 different subclass of real property, but not to exceed the ~~[consumer price index or five~~
75 ~~percent, whichever is lower]~~ **lesser of:**

76 **(a) The consumer price index; or**

77 **(b) The following percentage:**

78 **a. For revisions under this subsection occurring before January 1, 2027, five**
79 **percent; or**

80 **b. For revisions under this subsection occurring on or after January 1, 2027,**
81 **three percent.**

82 **(5)** Should the tax revenue of a political subdivision from the various tax rates
83 determined in this subsection be different than the tax revenue that would have been
84 determined from a single tax rate as calculated pursuant to the method of calculation in this
85 subsection prior to January 1, 2003, then the political subdivision shall revise the tax rates of
86 those subclasses of real property, individually, and/or personal property, in the aggregate, in
87 which there is a tax rate reduction, pursuant to the provisions of this subsection. Such
88 revision shall yield an amount equal to such difference and shall be apportioned among such
89 subclasses of real property, individually, and/or personal property, in the aggregate, based on
90 the relative assessed valuation of the class or subclasses of property experiencing a tax rate
91 reduction. Such revision in the tax rates of each class or subclass shall be made by computing
92 the percentage of current year adjusted assessed valuation of each class or subclass with a tax
93 rate reduction to the total current year adjusted assessed valuation of the class or subclasses
94 with a tax rate reduction, multiplying the resulting percentages by the revenue difference
95 between the single rate calculation and the calculations pursuant to this subsection and
96 dividing by the respective adjusted current year assessed valuation of each class or subclass to
97 determine the adjustment to the rate to be levied upon each class or subclass of property. The
98 adjustment computed herein shall be multiplied by one hundred, rounded to four decimals in
99 the manner provided in this subsection, and added to the initial rate computed for each class
100 or subclass of property.

101 **(6)** For school districts that levy separate tax rates on each subclass of real property
102 and personal property in the aggregate, if voters approved a ballot before January 1, 2011, that
103 presented separate stated tax rates to be applied to the different subclasses of real property and
104 personal property in the aggregate, or increases the separate rates that may be levied on the

105 different subclasses of real property and personal property in the aggregate by different
106 amounts, the tax rate that shall be used for the single tax rate calculation shall be a blended
107 rate, calculated in the manner provided under subdivision (1) of subsection 6 of this section.

108 (7) Notwithstanding any provision of this subsection to the contrary, no revision to
109 the rate of levy for personal property shall cause such levy to increase over the levy for
110 personal property from the prior year.

111 3. (1) Where the taxing authority is a school district, it shall be required to revise the
112 rates of levy to the extent necessary to produce from all taxable property, including state-
113 assessed railroad and utility property, which shall be separately estimated in addition to other
114 data required in complying with section 164.011, substantially the amount of tax revenue
115 permitted in this section. In the year following tax rate reduction, the tax rate ceiling may be
116 adjusted to offset such district's reduction in the apportionment of state school moneys due to
117 its reduced tax rate. However, in the event any school district, in calculating a tax rate ceiling
118 pursuant to this section, requiring the estimating of effects of state-assessed railroad and
119 utility valuation or loss of state aid, discovers that the estimates used result in receipt of
120 excess revenues, which would have required a lower rate if the actual information had been
121 known, the school district shall reduce the tax rate ceiling in the following year to compensate
122 for the excess receipts, and the recalculated rate shall become the tax rate ceiling for purposes
123 of this section.

124 (2) For any political subdivision which experiences a reduction in the amount of
125 assessed valuation relating to a prior year, due to decisions of the state tax commission or a
126 court pursuant to sections 138.430 to 138.433, or due to clerical errors or corrections in the
127 calculation or recordation of any assessed valuation:

128 (a) Such political subdivision may revise the tax rate ceiling for each purpose it levies
129 taxes to compensate for the reduction in assessed value occurring after the political
130 subdivision calculated the tax rate ceiling for the particular subclass of real property or for
131 personal property, in the aggregate, in a prior year. Such revision by the political subdivision
132 shall be made at the time of the next calculation of the tax rate for the particular subclass of
133 real property or for personal property, in the aggregate, after the reduction in assessed
134 valuation has been determined and shall be calculated in a manner that results in the revised
135 tax rate ceiling being the same as it would have been had the corrected or finalized assessment
136 been available at the time of the prior calculation;

137 (b) In addition, for up to three years following the determination of the reduction in
138 assessed valuation as a result of circumstances defined in this subdivision, such political
139 subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate
140 ceiling provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to

141 receive had the corrected or finalized assessment been available at the time of the prior
142 calculation.

143 4. (1) In order to implement the provisions of this section and Section 22 of Article X
144 of the Constitution of Missouri, the term improvements shall apply to both real and personal
145 property. In order to determine the value of new construction and improvements, each county
146 assessor shall maintain a record of real property valuations in such a manner as to identify
147 each year the increase in valuation for each political subdivision in the county as a result of
148 new construction and improvements. The value of new construction and improvements shall
149 include the additional assessed value of all improvements or additions to real property which
150 were begun after and were not part of the prior year's assessment, except that the additional
151 assessed value of all improvements or additions to real property which had been totally or
152 partially exempt from ad valorem taxes pursuant to sections 99.800 to 99.865, sections
153 135.200 to 135.255, and section 353.110 shall be included in the value of new construction
154 and improvements when the property becomes totally or partially subject to assessment and
155 payment of all ad valorem taxes. The aggregate increase in valuation of personal property for
156 the current year over that of the previous year is the equivalent of the new construction and
157 improvements factor for personal property. Notwithstanding any opt-out implemented
158 pursuant to subsection 14 of section 137.115, the assessor shall certify the amount of new
159 construction and improvements and the amount of assessed value on any real property which
160 was assessed by the assessor of a county or city in such previous year but is assessed by the
161 assessor of a county or city in the current year in a different subclass of real property
162 separately for each of the three subclasses of real property for each political subdivision to the
163 county clerk in order that political subdivisions shall have this information for the purpose of
164 calculating tax rates pursuant to this section and Section 22, Article X, Constitution of
165 Missouri. In addition, the state tax commission shall certify each year to each county clerk
166 the increase in the general price level as measured by the Consumer Price Index for All Urban
167 Consumers for the United States, or its successor publications, as defined and officially
168 reported by the United States Department of Labor, or its successor agency. The state tax
169 commission shall certify the increase in such index on the latest twelve-month basis available
170 on February first of each year over the immediately preceding prior twelve-month period in
171 order that political subdivisions shall have this information available in setting their tax rates
172 according to law and Section 22 of Article X of the Constitution of Missouri. For purposes of
173 implementing the provisions of this section and Section 22 of Article X of the Missouri
174 Constitution, the term "property" means all taxable property, including state-assessed
175 property.

176 (2) Each political subdivision required to revise rates of levy pursuant to this section
177 or Section 22 of Article X of the Constitution of Missouri shall calculate each tax rate it is

178 authorized to levy and, in establishing each tax rate, shall consider each provision for tax rate
179 revision provided in this section and Section 22 of Article X of the Constitution of Missouri,
180 separately and without regard to annual tax rate reductions provided in section 67.505 and
181 section 164.013. Each political subdivision shall set each tax rate it is authorized to levy
182 using the calculation that produces the lowest tax rate ceiling. It is further the intent of the
183 general assembly, pursuant to the authority of Section 10(c) of Article X of the Constitution
184 of Missouri, that the provisions of such section be applicable to tax rate revisions mandated
185 pursuant to Section 22 of Article X of the Constitution of Missouri as to reestablishing tax
186 rates as revised in subsequent years, enforcement provisions, and other provisions not in
187 conflict with Section 22 of Article X of the Constitution of Missouri. Annual tax rate
188 reductions provided in section 67.505 and section 164.013 shall be applied to the tax rate as
189 established pursuant to this section and Section 22 of Article X of the Constitution of
190 Missouri, unless otherwise provided by law.

191 5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this
192 section shall not be increased unless approved by a vote of the people. Approval of the higher
193 tax rate shall be by at least a majority of votes cast. When a proposed higher tax rate requires
194 approval by more than a simple majority pursuant to any provision of law or the constitution,
195 the tax rate increase must receive approval by at least the majority required.

196 (2) When voters approve an increase in the tax rate, the amount of the increase shall
197 be added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate
198 does not exceed any maximum rate prescribed by law. If a ballot question presents a stated
199 tax rate for approval rather than describing the amount of increase in the question, the stated
200 tax rate approved shall be adjusted as provided in this section and, so adjusted, shall be the
201 current tax rate ceiling. The increased tax rate ceiling as approved shall be adjusted such that
202 when applied to the current total assessed valuation of the political subdivision, excluding
203 new construction and improvements since the date of the election approving such increase,
204 the revenue derived from the adjusted tax rate ceiling is equal to the sum of: the amount of
205 revenue which would have been derived by applying the voter-approved increased tax rate
206 ceiling to total assessed valuation of the political subdivision, as most recently certified by the
207 city or county clerk on or before the date of the election in which such increase is approved,
208 increased by the percentage increase in the consumer price index, as provided by law. Such
209 adjusted tax rate ceiling may be applied to the total assessed valuation of the political
210 subdivision at the setting of the next tax rate. If a ballot question presents a phased-in tax rate
211 increase, upon voter approval, each tax rate increase shall be adjusted in the manner
212 prescribed in this section to yield the sum of: the amount of revenue that would be derived by
213 applying such voter-approved increased rate to the total assessed valuation, as most recently
214 certified by the city or county clerk on or before the date of the election in which such

215 increase was approved, increased by the percentage increase in the consumer price index, as
216 provided by law, from the date of the election to the time of such increase and, so adjusted,
217 shall be the current tax rate ceiling.

218 (3) The governing body of any political subdivision may levy a tax rate lower than its
219 tax rate ceiling and may, in a nonreassessment year, increase that lowered tax rate to a level
220 not exceeding the tax rate ceiling without voter approval in the manner provided under
221 subdivision (4) of this subsection. Nothing in this section shall be construed as prohibiting a
222 political subdivision from voluntarily levying a tax rate lower than that which is required
223 under the provisions of this section or from seeking voter approval of a reduction to such
224 political subdivision's tax rate ceiling.

225 (4) In a year of general reassessment, a governing body whose tax rate is lower than
226 its tax rate ceiling shall revise its tax rate pursuant to the provisions of subsection 4 of this
227 section as if its tax rate was at the tax rate ceiling. In a year following general reassessment, if
228 such governing body intends to increase its tax rate, the governing body shall conduct a
229 public hearing, and in a public meeting it shall adopt an ordinance, resolution, or policy
230 statement justifying its action prior to setting and certifying its tax rate. The provisions of this
231 subdivision shall not apply to any political subdivision which levies a tax rate lower than its
232 tax rate ceiling solely due to a reduction required by law resulting from sales tax collections.
233 The provisions of this subdivision shall not apply to any political subdivision which has
234 received voter approval for an increase to its tax rate ceiling subsequent to setting its most
235 recent tax rate.

236 6. (1) For the purposes of calculating state aid for public schools pursuant to section
237 163.031, each taxing authority which is a school district shall determine its proposed tax rate
238 as a blended rate of the classes or subclasses of property. Such blended rate shall be
239 calculated by first determining the total tax revenue of the property within the jurisdiction of
240 the taxing authority, which amount shall be equal to the sum of the products of multiplying
241 the assessed valuation of each class and subclass of property by the corresponding tax rate for
242 such class or subclass, then dividing the total tax revenue by the total assessed valuation of
243 the same jurisdiction, and then multiplying the resulting quotient by a factor of one hundred.
244 Where the taxing authority is a school district, such blended rate shall also be used by such
245 school district for calculating revenue from state-assessed railroad and utility property as
246 defined in chapter 151 and for apportioning the tax rate by purpose.

247 (2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk
248 of the county commission in the county or counties where the tax rate applies of its tax rate
249 ceiling and its proposed tax rate. Each taxing authority shall express its proposed tax rate in a
250 fraction equal to the nearest one-tenth of a cent, unless its proposed tax rate is in excess of one
251 dollar, then one/one-hundredth of a cent. If a taxing authority shall round to one/one-

252 hundredth of a cent, it shall round up a fraction greater than or equal to five/one-thousandth of
253 one cent to the next higher one/one-hundredth of a cent; if a taxing authority shall round to
254 one-tenth of a cent, it shall round up a fraction greater than or equal to five/one-hundredths of
255 a cent to the next higher one-tenth of a cent. Any taxing authority levying a property tax rate
256 shall provide data, in such form as shall be prescribed by the state auditor by rule,
257 substantiating such tax rate complies with Missouri law. All forms for the calculation of rates
258 pursuant to this section shall be promulgated as a rule and shall not be incorporated by
259 reference. The state auditor shall promulgate rules for any and all forms for the calculation of
260 rates pursuant to this section which do not currently exist in rule form or that have been
261 incorporated by reference. In addition, each taxing authority proposing to levy a tax rate for
262 debt service shall provide data, in such form as shall be prescribed by the state auditor by rule,
263 substantiating the tax rate for debt service complies with Missouri law. A tax rate proposed
264 for annual debt service requirements will be prima facie valid if, after making the payment for
265 which the tax was levied, bonds remain outstanding and the debt fund reserves do not exceed
266 the following year's payments. The county clerk shall keep on file and available for public
267 inspection all such information for a period of three years. The clerk shall, within three days
268 of receipt, forward a copy of the notice of a taxing authority's tax rate ceiling and proposed
269 tax rate and any substantiating data to the state auditor. The state auditor shall, within fifteen
270 days of the date of receipt, examine such information and return to the county clerk his or her
271 findings as to compliance of the tax rate ceiling with this section and as to compliance of any
272 proposed tax rate for debt service with Missouri law. If the state auditor believes that a taxing
273 authority's proposed tax rate does not comply with Missouri law, then the state auditor's
274 findings shall include a recalculated tax rate, and the state auditor may request a taxing
275 authority to submit documentation supporting such taxing authority's proposed tax rate. The
276 county clerk shall immediately forward a copy of the auditor's findings to the taxing authority
277 and shall file a copy of the findings with the information received from the taxing authority.
278 The taxing authority shall have fifteen days from the date of receipt from the county clerk of
279 the state auditor's findings and any request for supporting documentation to accept or reject in
280 writing the rate change certified by the state auditor and to submit all requested information to
281 the state auditor. A copy of the taxing authority's acceptance or rejection and any information
282 submitted to the state auditor shall also be mailed to the county clerk. If a taxing authority
283 rejects a rate change certified by the state auditor and the state auditor does not receive
284 supporting information which justifies the taxing authority's original or any subsequent
285 proposed tax rate, then the state auditor shall refer the perceived violations of such taxing
286 authority to the attorney general's office and the attorney general is authorized to obtain
287 injunctive relief to prevent the taxing authority from levying a violative tax rate.

288 (3) In the event that the taxing authority incorrectly completes the forms created and
289 promulgated under subdivision (2) of this subsection, or makes a clerical error, the taxing
290 authority may submit amended forms with an explanation for the needed changes. If such
291 amended forms are filed under regulations prescribed by the state auditor, the state auditor
292 shall take into consideration such amended forms for the purposes of this subsection.

293 7. No tax rate shall be extended on the tax rolls by the county clerk unless the political
294 subdivision has complied with the foregoing provisions of this section.

295 8. Whenever a taxpayer has cause to believe that a taxing authority has not complied
296 with the provisions of this section, the taxpayer may make a formal complaint with the
297 prosecuting attorney of the county. Where the prosecuting attorney fails to bring an action
298 within ten days of the filing of the complaint, the taxpayer may bring a civil action pursuant to
299 this section and institute an action as representative of a class of all taxpayers within a taxing
300 authority if the class is so numerous that joinder of all members is impracticable, if there are
301 questions of law or fact common to the class, if the claims or defenses of the representative
302 parties are typical of the claims or defenses of the class, and if the representative parties will
303 fairly and adequately protect the interests of the class. In any class action maintained
304 pursuant to this section, the court may direct to the members of the class a notice to be
305 published at least once each week for four consecutive weeks in a newspaper of general
306 circulation published in the county where the civil action is commenced and in other counties
307 within the jurisdiction of a taxing authority. The notice shall advise each member that the
308 court will exclude him or her from the class if he or she so requests by a specified date, that
309 the judgment, whether favorable or not, will include all members who do not request
310 exclusion, and that any member who does not request exclusion may, if he or she desires,
311 enter an appearance. In any class action brought pursuant to this section, the court, in
312 addition to the relief requested, shall assess against the taxing authority found to be in
313 violation of this section the reasonable costs of bringing the action, including reasonable
314 attorney's fees, provided no attorney's fees shall be awarded any attorney or association of
315 attorneys who receive public funds from any source for their services. Any action brought
316 pursuant to this section shall be set for hearing as soon as practicable after the cause is at
317 issue.

318 9. If in any action, including a class action, the court issues an order requiring a taxing
319 authority to revise the tax rates as provided in this section or enjoins a taxing authority from
320 the collection of a tax because of its failure to revise the rate of levy as provided in this
321 section, any taxpayer paying his or her taxes when an improper rate is applied has erroneously
322 paid his or her taxes in part, whether or not the taxes are paid under protest as provided in
323 section 139.031 or otherwise contested. The part of the taxes paid erroneously is the
324 difference in the amount produced by the original levy and the amount produced by the

325 revised levy. The township or county collector of taxes or the collector of taxes in any city
326 shall refund the amount of the tax erroneously paid. The taxing authority refusing to revise
327 the rate of levy as provided in this section shall make available to the collector all funds
328 necessary to make refunds pursuant to this subsection. No taxpayer shall receive any interest
329 on any money erroneously paid by him or her pursuant to this subsection. Effective in the
330 1994 tax year, nothing in this section shall be construed to require a taxing authority to refund
331 any tax erroneously paid prior to or during the third tax year preceding the current tax year.

332 10. Any rule or portion of a rule, as that term is defined in section 536.010, that is
333 created under the authority delegated in this section shall become effective only if it complies
334 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
335 This section and chapter 536 are nonseverable and if any of the powers vested with the
336 general assembly pursuant to chapter 536 to review, to delay the effective date, or to
337 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
338 rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be invalid
339 and void.

138.390. 1. The state tax commission shall equalize the valuation of real and tangible
2 personal property among the several counties in the state in the following manner: with the
3 abstracts of all the taxable property in the several counties of the state and the abstracts of the
4 sales of real estate in such counties as returned by the respective county clerks and the
5 assessor of the city of St. Louis, the commission shall classify all real estate situate in cities,
6 towns, and villages, as town lots, and all other real estate as farming lands, and shall classify
7 all tangible personal property as follows: banking corporations, railroad corporations, street
8 railroad corporations, all other corporations, horses, mares and geldings, mules, asses and
9 jennets, neat cattle, sheep, swine, goats, domesticated small animals and all other livestock,
10 poultry, power machinery, farm implements, other tangible personal property.

11 2. (1) The state tax commission shall equalize the valuation of each class or subclass
12 of property thereof among the respective counties of the state in the following manner:

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

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

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

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

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

27 **b. The weighted median ratio is less than seventy percent and the upper bound**
28 **of the ninety-five percent confidence interval for the weighted median is less than**
29 **seventy percent.**

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

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

34 **b. The weighted median ratio is greater than one hundred percent and the upper**
35 **bound of the ninety-five percent confidence interval for the weighted median is greater**
36 **than one hundred percent.**

✓