

SECOND REGULAR SESSION

HOUSE BILL NO. 2627

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE TAYLOR (48).

4416H.01I

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal section 137.073, RSMo, and to enact in lieu thereof two new sections relating to personal property taxation.

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

Section A. Section 137.073, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 137.073 and 139.035, to read as follows:

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

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

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

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

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.

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]~~ tax 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 percent,
75 whichever is lower.

76 **(5)** Should the tax revenue of a political subdivision from the various tax rates
77 determined in this subsection be different than the tax revenue that would have been
78 determined from a single tax rate as calculated pursuant to the method of calculation in this
79 subsection prior to January 1, 2003, then the political subdivision shall revise the tax rates of
80 those subclasses of real property, individually, and/or personal property, in the aggregate, in
81 which there is a tax rate reduction, pursuant to the provisions of this subsection. Such
82 revision shall yield an amount equal to such difference and shall be apportioned among such
83 subclasses of real property, individually, and/or personal property, in the aggregate, based on
84 the relative assessed valuation of the class or subclasses of property experiencing a tax rate
85 reduction. Such revision in the tax rates of each class or subclass shall be made by computing
86 the percentage of current year adjusted assessed valuation of each class or subclass with a tax
87 rate reduction to the total current year adjusted assessed valuation of the class or subclasses
88 with a tax rate reduction, multiplying the resulting percentages by the revenue difference
89 between the single rate calculation and the calculations pursuant to this subsection and
90 dividing by the respective adjusted current year assessed valuation of each class or subclass to

91 determine the adjustment to the rate to be levied upon each class or subclass of property. The
92 adjustment computed herein shall be multiplied by one hundred, rounded to four decimals in
93 the manner provided in this subsection, and added to the initial rate computed for each class
94 or subclass of property.

95 **(6)** For school districts that levy separate tax rates on each subclass of real property
96 and personal property in the aggregate, if voters approved a ballot before January 1, 2011, that
97 presented separate stated tax rates to be applied to the different subclasses of real property and
98 personal property in the aggregate, or increases the separate rates that may be levied on the
99 different subclasses of real property and personal property in the aggregate by different
100 amounts, the tax rate that shall be used for the single tax rate calculation shall be a blended
101 rate, calculated in the manner provided under subdivision (1) of subsection 6 of this section.

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

105 3. (1) Where the taxing authority is a school district, it shall be required to revise the
106 rates of levy to the extent necessary to produce from all taxable property, including state-
107 assessed railroad and utility property, which shall be separately estimated in addition to other
108 data required in complying with section 164.011, substantially the amount of tax revenue
109 permitted in this section. In the year following tax rate reduction, the tax rate ceiling may be
110 adjusted to offset such district's reduction in the apportionment of state school moneys due to
111 its reduced tax rate. However, in the event any school district, in calculating a tax rate ceiling
112 pursuant to this section, requiring the estimating of effects of state-assessed railroad and
113 utility valuation or loss of state aid, discovers that the estimates used result in receipt of
114 excess revenues, which would have required a lower rate if the actual information had been
115 known, the school district shall reduce the tax rate ceiling in the following year to compensate
116 for the excess receipts, and the recalculated rate shall become the tax rate ceiling for purposes
117 of this section.

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

122 (a) Such political subdivision may revise the tax rate ceiling for each purpose it levies
123 taxes to compensate for the reduction in assessed value occurring after the political
124 subdivision calculated the tax rate ceiling for the particular subclass of real property or for
125 personal property, in the aggregate, in a prior year. Such revision by the political subdivision
126 shall be made at the time of the next calculation of the tax rate for the particular subclass of
127 real property or for personal property, in the aggregate, after the reduction in assessed

128 valuation has been determined and shall be calculated in a manner that results in the revised
129 tax rate ceiling being the same as it would have been had the corrected or finalized assessment
130 been available at the time of the prior calculation;

131 (b) In addition, for up to three years following the determination of the reduction in
132 assessed valuation as a result of circumstances defined in this subdivision, such political
133 subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate
134 ceiling provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to
135 receive had the corrected or finalized assessment been available at the time of the prior
136 calculation.

137 4. (1) In order to implement the provisions of this section and Section 22 of Article X
138 of the Constitution of Missouri, the term improvements shall apply to both real and personal
139 property. In order to determine the value of new construction and improvements, each county
140 assessor shall maintain a record of real property valuations in such a manner as to identify
141 each year the increase in valuation for each political subdivision in the county as a result of
142 new construction and improvements. The value of new construction and improvements shall
143 include the additional assessed value of all improvements or additions to real property which
144 were begun after and were not part of the prior year's assessment, except that the additional
145 assessed value of all improvements or additions to real property which had been totally or
146 partially exempt from ad valorem taxes pursuant to sections 99.800 to 99.865, sections
147 135.200 to 135.255, and section 353.110 shall be included in the value of new construction
148 and improvements when the property becomes totally or partially subject to assessment and
149 payment of all ad valorem taxes. The aggregate increase in valuation of personal property for
150 the current year over that of the previous year is the equivalent of the new construction and
151 improvements factor for personal property. **Beginning January 1, 2027, any increase in the**
152 **aggregate valuation of personal property for the current year over that of the previous**
153 **year shall not be counted as new construction.** Notwithstanding any opt-out implemented
154 pursuant to subsection 14 of section 137.115, the assessor shall certify the amount of new
155 construction and improvements and the amount of assessed value on any real property which
156 was assessed by the assessor of a county or city in such previous year but is assessed by the
157 assessor of a county or city in the current year in a different subclass of real property
158 separately for each of the three subclasses of real property for each political subdivision to the
159 county clerk in order that political subdivisions shall have this information for the purpose of
160 calculating tax rates pursuant to this section and Section 22, Article X, Constitution of
161 Missouri. In addition, the state tax commission shall certify each year to each county clerk
162 the increase in the general price level as measured by the Consumer Price Index for All Urban
163 Consumers for the United States, or its successor publications, as defined and officially
164 reported by the United States Department of Labor, or its successor agency. The state tax

165 commission shall certify the increase in such index on the latest twelve-month basis available
166 on February first of each year over the immediately preceding prior twelve-month period in
167 order that political subdivisions shall have this information available in setting their tax rates
168 according to law and Section 22 of Article X of the Constitution of Missouri. For purposes of
169 implementing the provisions of this section and Section 22 of Article X of the Missouri
170 Constitution, the term "property" means all taxable property, including state-assessed
171 property.

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

187 5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this
188 section shall not be increased unless approved by a vote of the people. Approval of the higher
189 tax rate shall be by at least a majority of votes cast. When a proposed higher tax rate requires
190 approval by more than a simple majority pursuant to any provision of law or the constitution,
191 the tax rate increase must receive approval by at least the majority required.

192 (2) When voters approve an increase in the tax rate, the amount of the increase shall
193 be added to the tax rate ceiling as calculated pursuant to this section to the extent the total rate
194 does not exceed any maximum rate prescribed by law. If a ballot question presents a stated
195 tax rate for approval rather than describing the amount of increase in the question, the stated
196 tax rate approved shall be adjusted as provided in this section and, so adjusted, shall be the
197 current tax rate ceiling. The increased tax rate ceiling as approved shall be adjusted such that
198 when applied to the current total assessed valuation of the political subdivision, excluding
199 new construction and improvements since the date of the election approving such increase,
200 the revenue derived from the adjusted tax rate ceiling is equal to the sum of: the amount of
201 revenue which would have been derived by applying the voter-approved increased tax rate

202 ceiling to total assessed valuation of the political subdivision, as most recently certified by the
203 city or county clerk on or before the date of the election in which such increase is approved,
204 increased by the percentage increase in the consumer price index, as provided by law. Such
205 adjusted tax rate ceiling may be applied to the total assessed valuation of the political
206 subdivision at the setting of the next tax rate. If a ballot question presents a phased-in tax rate
207 increase, upon voter approval, each tax rate increase shall be adjusted in the manner
208 prescribed in this section to yield the sum of: the amount of revenue that would be derived by
209 applying such voter-approved increased rate to the total assessed valuation, as most recently
210 certified by the city or county clerk on or before the date of the election in which such
211 increase was approved, increased by the percentage increase in the consumer price index, as
212 provided by law, from the date of the election to the time of such increase and, so adjusted,
213 shall be the current tax rate ceiling.

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

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

232 6. (1) For the purposes of calculating state aid for public schools pursuant to section
233 163.031, each taxing authority which is a school district shall determine its proposed tax rate
234 as a blended rate of the classes or subclasses of property. Such blended rate shall be
235 calculated by first determining the total tax revenue of the property within the jurisdiction of
236 the taxing authority, which amount shall be equal to the sum of the products of multiplying
237 the assessed valuation of each class and subclass of property by the corresponding tax rate for
238 such class or subclass, then dividing the total tax revenue by the total assessed valuation of

239 the same jurisdiction, and then multiplying the resulting quotient by a factor of one hundred.
240 Where the taxing authority is a school district, such blended rate shall also be used by such
241 school district for calculating revenue from state-assessed railroad and utility property as
242 defined in chapter 151 and for apportioning the tax rate by purpose.

243 (2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk
244 of the county commission in the county or counties where the tax rate applies of its tax rate
245 ceiling and its proposed tax rate. Each taxing authority shall express its proposed tax rate in a
246 fraction equal to the nearest one-tenth of a cent, unless its proposed tax rate is in excess of one
247 dollar, then one/one-hundredth of a cent. If a taxing authority shall round to one/one-
248 hundredth of a cent, it shall round up a fraction greater than or equal to five/one-thousandth of
249 one cent to the next higher one/one-hundredth of a cent; if a taxing authority shall round to
250 one-tenth of a cent, it shall round up a fraction greater than or equal to five/one-hundredths of
251 a cent to the next higher one-tenth of a cent. Any taxing authority levying a property tax rate
252 shall provide data, in such form as shall be prescribed by the state auditor by rule,
253 substantiating such tax rate complies with Missouri law. All forms for the calculation of rates
254 pursuant to this section shall be promulgated as a rule and shall not be incorporated by
255 reference. The state auditor shall promulgate rules for any and all forms for the calculation of
256 rates pursuant to this section which do not currently exist in rule form or that have been
257 incorporated by reference. In addition, each taxing authority proposing to levy a tax rate for
258 debt service shall provide data, in such form as shall be prescribed by the state auditor by rule,
259 substantiating the tax rate for debt service complies with Missouri law. A tax rate proposed
260 for annual debt service requirements will be prima facie valid if, after making the payment for
261 which the tax was levied, bonds remain outstanding and the debt fund reserves do not exceed
262 the following year's payments. The county clerk shall keep on file and available for public
263 inspection all such information for a period of three years. The clerk shall, within three days
264 of receipt, forward a copy of the notice of a taxing authority's tax rate ceiling and proposed
265 tax rate and any substantiating data to the state auditor. The state auditor shall, within fifteen
266 days of the date of receipt, examine such information and return to the county clerk his or her
267 findings as to compliance of the tax rate ceiling with this section and as to compliance of any
268 proposed tax rate for debt service with Missouri law. If the state auditor believes that a taxing
269 authority's proposed tax rate does not comply with Missouri law, then the state auditor's
270 findings shall include a recalculated tax rate, and the state auditor may request a taxing
271 authority to submit documentation supporting such taxing authority's proposed tax rate. The
272 county clerk shall immediately forward a copy of the auditor's findings to the taxing authority
273 and shall file a copy of the findings with the information received from the taxing authority.
274 The taxing authority shall have fifteen days from the date of receipt from the county clerk of
275 the state auditor's findings and any request for supporting documentation to accept or reject in

276 writing the rate change certified by the state auditor and to submit all requested information to
277 the state auditor. A copy of the taxing authority's acceptance or rejection and any information
278 submitted to the state auditor shall also be mailed to the county clerk. If a taxing authority
279 rejects a rate change certified by the state auditor and the state auditor does not receive
280 supporting information which justifies the taxing authority's original or any subsequent
281 proposed tax rate, then the state auditor shall refer the perceived violations of such taxing
282 authority to the attorney general's office and the attorney general is authorized to obtain
283 injunctive relief to prevent the taxing authority from levying a violative tax rate.

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

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

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

312 pursuant to this section shall be set for hearing as soon as practicable after the cause is at
313 issue.

314 9. If in any action, including a class action, the court issues an order requiring a taxing
315 authority to revise the tax rates as provided in this section or enjoins a taxing authority from
316 the collection of a tax because of its failure to revise the rate of levy as provided in this
317 section, any taxpayer paying his or her taxes when an improper rate is applied has erroneously
318 paid his or her taxes in part, whether or not the taxes are paid under protest as provided in
319 section 139.031 or otherwise contested. The part of the taxes paid erroneously is the
320 difference in the amount produced by the original levy and the amount produced by the
321 revised levy. The township or county collector of taxes or the collector of taxes in any city
322 shall refund the amount of the tax erroneously paid. The taxing authority refusing to revise
323 the rate of levy as provided in this section shall make available to the collector all funds
324 necessary to make refunds pursuant to this subsection. No taxpayer shall receive any interest
325 on any money erroneously paid by him or her pursuant to this subsection. Effective in the
326 1994 tax year, nothing in this section shall be construed to require a taxing authority to refund
327 any tax erroneously paid prior to or during the third tax year preceding the current tax year.

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

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

2 (1) "Motor vehicle", the same meaning as such term is defined under section
3 301.010;

4 (2) "Taxing entity", any county or city not within a county within this state that
5 levies and collects personal property taxes on motor vehicles;

6 (3) "Taxpayer", an individual or a business entity subject to personal property
7 tax on the totaled motor vehicle;

8 (4) "Totaled motor vehicle", a motor vehicle considered to be a total loss due to
9 damage that is so severe that it cannot be repaired safely, the total cost of repair or
10 salvage equals or exceeds the vehicle's actual cash value, or a finding by an insurance
11 company declaring the motor vehicle to be a total loss. The term "totaled motor
12 vehicle" includes motorcycles owned by individual taxpayers and motor vehicles

13 primarily for business use, as such term is defined under section 301.010, owned by a
14 business taxpayer;

15 (5) "Totaled motor vehicle personal property tax proration program", a
16 program established under the provisions of this section.

17 2. Any taxing entity may establish a totaled motor vehicle personal property tax
18 proration program in accordance with this section that allows a taxpayer qualifying
19 under the provisions of this section and any additional requirements established by the
20 taxing entity to receive a prorated property tax credit during the tax year to reduce the
21 total personal property tax owed on a totaled motor vehicle and to be claimed against
22 the amount of personal property tax due and owing at the end of the same tax year by
23 such taxpayer.

24 3. The prorated property tax credit amount shall apply to the total of all
25 personal property taxes due and owing on the totaled motor vehicle, and shall reduce all
26 taxes by an equally distributed pro rata amount.

27 4. The prorated property tax credit, which shall be prorated on a monthly basis,
28 is to be determined by a ratio, the numerator of which shall be the number of full
29 months from the date of disposition of the totaled motor vehicle continuing through the
30 close of the tax year, and the denominator of which shall be twelve. The prorated
31 property tax credit is nonrefundable but may reduce a taxpayer's liability down to zero.

32 5. A taxpayer may apply for such program if:

33 (1) Such taxpayer's totaled motor vehicle was owned, registered, and titled
34 under the taxpayer's name, or in the case of a business taxpayer, the name of the
35 business, authorized agent, or other verifiable entity associated with the business
36 taxpayer, as of January first of the tax year in which the motor vehicle was totaled and
37 at the time of the incident that totaled the taxpayer's motor vehicle in the same tax year;

38 (2) The totaled motor vehicle was included on the local taxing entity's tax roll for
39 the tax year in which the motor vehicle was totaled and such taxpayer is liable for the
40 payment of personal property taxes on the totaled motor vehicle for such tax year;

41 (3) Such taxpayer was, as of the date of application, up-to-date on all state and
42 local taxes and fees owed on such totaled motor vehicle; and

43 (4) As of the date of application for participation in the program, the title on the
44 totaled motor vehicle has been transferred to the insurance company or other entity due
45 to the totaled nature of the vehicle and is no longer titled or registered to the taxpayer
46 nor in the taxpayer's possession.

47 6. If a taxpayer participating in a program established under this section
48 purchases a replacement vehicle during the same tax year that the taxpayer's motor
49 vehicle was totaled and the taxpayer received a prorated property tax credit for such

50 totaled motor vehicle, such replacement vehicle shall not be included in the tax rolls for
51 that tax year to offset the property tax liability. Taxation of such replacement vehicle
52 shall follow the statutory assessment standards as provided by general law and the
53 applicable taxing entity if such replacement vehicle is owned by such taxpayer as of
54 January first of the following tax year.

55 7. If a taxpayer participating in a program established under this section
56 repurchases the same totaled motor vehicle from the insurance company or other entity
57 by way of a salvage certificate of title, as that term is defined in section 301.217, and the
58 taxpayer operates or maintains the salvaged motor vehicle in the taxpayer's possession,
59 taxation of such salvaged motor vehicle shall follow the statutory assessment standards
60 as provided by general law. Such salvaged motor vehicle shall not benefit from the
61 prorated property tax credit established in this section.

62 8. A totaled motor vehicle personal property tax proration program shall be
63 created upon the adoption of an ordinance by the governing body of such taxing entity.
64 Such ordinance shall be in accordance with the provisions of this section and shall
65 include, but not be limited to, the following:

66 (1) Procedures and deadlines for application and participation in such program
67 and any required documentation to sufficiently prove eligibility necessary for such
68 program, such as documents ascertaining proof of the totaled motor vehicle's total loss
69 value, copies of valuation reports, insurance total loss documentation or total loss letter,
70 verification of the transfer of title of the totaled motor vehicle, signed copy of title,
71 certified letter of transfer, or other such documentation necessary to substantiate the
72 taxpayer's eligibility;

73 (2) Procedures for verification and record keeping of the prorated property tax
74 credit amount and the total amount by which the personal property tax owed has been
75 modified for each taxpayer participating in the program;

76 (3) Creation of a form for taxpayers participating in the program that may be
77 submitted in person, by mail, or electronically on a taxing entity's website;

78 (4) Procedures for the crediting of the amount of a taxpayer's prorated property
79 tax credit toward such taxpayer's personal property taxes; and

80 (5) Any other provisions that such taxing entity deems reasonable and necessary
81 for the implementation and operation of such program.

82 9. A taxing entity may by ordinance promulgate rules, establish procedures, and
83 provide additional standards of eligibility for a program adopted under this section.

84 10. Any taxing entity that establishes a totaled motor vehicle personal property
85 tax proration program under the provisions of this section shall make information
86 regarding such program available to the taxpayers of the taxing entity.

87 **11. Participation in this program and proration of personal property taxes**
88 **received under such program by any qualified taxpayer as a prorated property tax**
89 **credit toward any portion of such taxpayer's personal property taxes shall not affect the**
90 **taxpayer's right to protest the amount of such tax payments under applicable provisions**
91 **of law.**

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