

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE NO. 2 FOR  
**HOUSE BILL NO. 2780**  
**103RD GENERAL ASSEMBLY**

4419H.08C

JOSEPH ENGLER, Chief Clerk

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**AN ACT**

To repeal sections 137.073, 137.079, and 137.115, RSMo, and section 163.021 as enacted by senate bill no. 727, one hundred second general assembly, second regular session, and to enact in lieu thereof four new sections relating to property taxation.

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

Section A. Sections 137.073, 137.079, and 137.115, RSMo, and section 163.021 as  
2 enacted by senate bill no. 727, one hundred second general assembly, second regular session,  
3 are repealed and four new sections enacted in lieu thereof, to be known as sections 137.073,  
4 137.079, 137.115, and 163.021, to read as follows:

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

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 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]~~ **rates of levy for each subclass of real property,**  
58 **individually, and personal property, in the aggregate,** shall not exceed the greater of the  
59 most recent voter-approved rate or the most recent voter-approved rate as adjusted under  
60 subdivision (2) of subsection 5 of this section. Such tax revenue shall not include any receipts  
61 from ad valorem levies on any real property which was assessed by the assessor of a county  
62 or city in such previous year but is assessed by the assessor of a county or city in the current  
63 year in a different subclass of real property.

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

69           **(4)** As provided in Section 22 of Article X of the constitution, a political subdivision  
70 may also revise each levy to allow for inflationary assessment growth occurring within the  
71 political subdivision. The inflationary growth factor for any such subclass of real property or  
72 personal property shall be limited to the actual assessment growth in such subclass or class,  
73 exclusive of new construction and improvements, and exclusive of the assessed value on any  
74 real property which was assessed by the assessor of a county or city in the current year in a  
75 different subclass of real property, but not to exceed the consumer price index or five percent,  
76 whichever is lower. ~~[Should the tax revenue of a political subdivision from the various tax~~  
77 ~~rates 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. For school districts that levy separate tax rates on each subclass of~~  
95 ~~real property and personal property in the aggregate, if voters approved a ballot before~~  
96 ~~January 1, 2011, that presented separate stated tax rates to be applied to the different~~  
97 ~~subclasses of real property and personal property in the aggregate, or increases the separate~~  
98 ~~rates that may be levied on the different subclasses of real property and personal property in~~  
99 ~~the aggregate by different amounts, the tax rate that shall be used for the single tax rate~~  
100 ~~calculation shall be a blended rate, calculated in the manner provided under subdivision (1) of~~  
101 ~~subsection 6 of this section.]~~

102 (5) 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. ~~[Notwithstanding any opt-out implemented~~  
152 ~~pursuant to subsection 14 of section 137.115,]~~ The assessor shall certify the amount of new  
153 construction and improvements and the amount of assessed value on any real property which  
154 was assessed by the assessor of a county or city in such previous year but is assessed by the  
155 assessor of a county or city in the current year in a different subclass of real property  
156 separately for each of the three subclasses of real property for each political subdivision to the  
157 county clerk in order that political subdivisions shall have this information for the purpose of  
158 calculating tax rates pursuant to this section and Section 22, Article X, Constitution of  
159 Missouri. In addition, the state tax commission shall certify each year to each county clerk  
160 the increase in the general price level as measured by the Consumer Price Index for All Urban  
161 Consumers for the United States, or its successor publications, as defined and officially

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

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

185 5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this  
186 section shall not be increased unless approved by a vote of the people. Approval of the higher  
187 tax rate shall be by at least a majority of votes cast. When a proposed higher tax rate requires  
188 approval by more than a simple majority pursuant to any provision of law or the constitution,  
189 the tax rate increase must receive approval by at least the majority required.

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

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

212 **(3) The provisions of subdivision (2) of this subsection notwithstanding, if prior**  
213 **to the expiration of a temporary levy increase voters approve a subsequent levy**  
214 **increase, the new tax rate ceiling shall remain in effect only until such time as the**  
215 **temporary levy expires under the terms originally approved by a vote of the people, at**  
216 **which time the tax rate ceiling shall be decreased by the amount of the temporary levy**  
217 **increase. If prior to the expiration of a temporary levy increase voters of a political**  
218 **subdivision are asked to approve an additional, permanent increase to the political**  
219 **subdivision's tax rate ceiling, voters shall be submitted ballot language that clearly**  
220 **indicates that if the permanent levy increase is approved, the temporary levy shall be**  
221 **made permanent.**

222 **(4)** The governing body of any political subdivision may levy a tax rate lower than its  
223 tax rate ceiling and may, in a nonreassessment year, increase that lowered tax rate to a level  
224 not exceeding the tax rate ceiling without voter approval in the manner provided under  
225 subdivision ~~[(4)]~~ **(5)** of this subsection. Nothing in this section shall be construed as  
226 prohibiting a political subdivision from voluntarily levying a tax rate lower than that which is  
227 required under the provisions of this section or from seeking voter approval of a reduction to  
228 such political subdivision's tax rate ceiling.

229 ~~[(4)]~~ **(5)** In a year of general reassessment, a governing body whose tax rate is lower  
230 than its tax rate ceiling shall revise its tax rate pursuant to the provisions of subsection 4 of  
231 this section as if its tax rate was at the tax rate ceiling. In a year following general  
232 reassessment, if such governing body intends to increase its tax rate, the governing body shall  
233 conduct a public hearing, and in a public meeting it shall adopt an ordinance, resolution, or  
234 policy statement justifying its action prior to setting and certifying its tax rate. The provisions  
235 of this subdivision shall not apply to any political subdivision which levies a tax rate lower

236 than its tax rate ceiling solely due to a reduction required by law resulting from sales tax  
237 collections. The provisions of this subdivision shall not apply to any political subdivision  
238 which has received voter approval for an increase to its tax rate ceiling subsequent to setting  
239 its most recent tax rate.

240 **(6) (a) As used in this subdivision, the following terms mean:**

241 **a. "Current tax rate ceiling", the tax rate ceiling in effect before the voters**  
242 **approve a higher tax rate;**

243 **b. "Increased tax rate ceiling", the new tax rate ceiling in effect after the voters**  
244 **approve a higher tax rate.**

245 **(b) Notwithstanding any other provision of law to the contrary, when the**  
246 **required majority of voters in a political subdivision passes an increase in the political**  
247 **subdivision's tax rate, the political subdivision shall use the current tax rate ceiling and**  
248 **the increase approved by the voters in establishing the rates of levy for the tax year**  
249 **immediately following the election.**

250 **(c) If the assessed valuation of real property in such political subdivision is**  
251 **reduced in such tax year immediately following the election, such political subdivision**  
252 **may raise its rates of levy so that the revenue received from its local real property tax**  
253 **rates equals the amount the political subdivision would have received from the increased**  
254 **rates of levy had there been no reduction in the assessed valuation of real property in the**  
255 **political subdivision.**

256 **(d) Using the increased tax rate ceiling shall be revenue neutral as required in**  
257 **Article X, Section 22 of the Constitution of Missouri.**

258 6. (1) For the purposes of calculating state aid for public schools pursuant to section  
259 163.031, each taxing authority which is a school district shall determine its proposed tax rate  
260 as a blended rate of the classes or subclasses of property. Such blended rate shall be  
261 calculated by first determining the total tax revenue of the property within the jurisdiction of  
262 the taxing authority, which amount shall be equal to the sum of the products of multiplying  
263 the assessed valuation of each class and subclass of property by the corresponding tax rate for  
264 such class or subclass, then dividing the total tax revenue by the total assessed valuation of  
265 the same jurisdiction, and then multiplying the resulting quotient by a factor of one hundred.  
266 Where the taxing authority is a school district, such blended rate shall also be used by such  
267 school district for calculating revenue from state-assessed railroad and utility property as  
268 defined in chapter 151 and for apportioning the tax rate by purpose.

269 (2) Each taxing authority proposing to levy a tax rate in any year shall notify the clerk  
270 of the county commission in the county or counties where the tax rate applies of its tax rate  
271 ceiling and its proposed tax rate. Each taxing authority shall express its proposed tax rate in a  
272 fraction equal to the nearest one-tenth of a cent, unless its proposed tax rate is in excess of one

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

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

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

317 8. Whenever a taxpayer has cause to believe that a taxing authority has not complied  
318 with the provisions of this section, the taxpayer may make a formal complaint with the  
319 prosecuting attorney of the county. Where the prosecuting attorney fails to bring an action  
320 within ten days of the filing of the complaint, the taxpayer may bring a civil action pursuant to  
321 this section and institute an action as representative of a class of all taxpayers within a taxing  
322 authority if the class is so numerous that joinder of all members is impracticable, if there are  
323 questions of law or fact common to the class, if the claims or defenses of the representative  
324 parties are typical of the claims or defenses of the class, and if the representative parties will  
325 fairly and adequately protect the interests of the class. In any class action maintained  
326 pursuant to this section, the court may direct to the members of the class a notice to be  
327 published at least once each week for four consecutive weeks in a newspaper of general  
328 circulation published in the county where the civil action is commenced and in other counties  
329 within the jurisdiction of a taxing authority. The notice shall advise each member that the  
330 court will exclude him or her from the class if he or she so requests by a specified date, that  
331 the judgment, whether favorable or not, will include all members who do not request  
332 exclusion, and that any member who does not request exclusion may, if he or she desires,  
333 enter an appearance. In any class action brought pursuant to this section, the court, in  
334 addition to the relief requested, shall assess against the taxing authority found to be in  
335 violation of this section the reasonable costs of bringing the action, including reasonable  
336 attorney's fees, provided no attorney's fees shall be awarded any attorney or association of  
337 attorneys who receive public funds from any source for their services. Any action brought  
338 pursuant to this section shall be set for hearing as soon as practicable after the cause is at  
339 issue.

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

347 revised levy. The township or county collector of taxes or the collector of taxes in any city  
348 shall refund the amount of the tax erroneously paid. The taxing authority refusing to revise  
349 the rate of levy as provided in this section shall make available to the collector all funds  
350 necessary to make refunds pursuant to this subsection. No taxpayer shall receive any interest  
351 on any money erroneously paid by him or her pursuant to this subsection. Effective in the  
352 1994 tax year, nothing in this section shall be construed to require a taxing authority to refund  
353 any tax erroneously paid prior to or during the third tax year preceding the current tax year.

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

137.079. Prior to setting its ~~[rate or]~~ rates as required by section 137.073, each taxing  
2 authority shall exclude from its total assessed valuation seventy-two percent of the total  
3 amount of assessed value of business personal property that is the subject of an appeal at the  
4 state tax commission or in a court of competent jurisdiction in this state. This exclusion shall  
5 only apply to the portion of the assessed value of business personal property that is disputed  
6 in the appeal, and shall not exclude any portion of the same property that is not disputed. ~~[If~~  
7 ~~the taxing authority uses a multirate approach]~~ **For the purpose of setting rates** as provided  
8 in section 137.073, this exclusion shall be made from the personal property class. The state  
9 tax commission shall provide each taxing authority with the total assessed value of business  
10 personal property within the jurisdiction of such taxing authority for which an appeal is  
11 pending no later than August twentieth of each year. Whenever any appeal is resolved,  
12 whether by final adjudication or settlement, and the result of the appeal causes money to be  
13 paid to the taxing authority, the taxing authority shall not be required to make an additional  
14 adjustment to its rate or rates due to such payment once the deadline for setting its rates, as  
15 provided by this chapter, has passed in a ~~[taxable]~~ **tax** year, but shall adjust its rate or rates  
16 due to such payment in the next rate setting cycle to offset the payment in the next ~~[taxable]~~  
17 **tax** year. For the purposes of this section, the term "business personal property" means  
18 tangible personal property which is used in a trade or business or used for production of  
19 income and which has a determinable life of longer than one year except that supplies used by  
20 a business shall also be considered business personal property, but shall not include livestock,  
21 farm machinery, property subject to the motor vehicle registration provisions of chapter 301,  
22 property subject to the tables provided in section 137.078, the property of rural electric

23 cooperatives under chapter 394, or property assessed by the state tax commission under  
24 chapters 151, 153, and 155, section 137.022, and sections 137.1000 to 137.1030.

137.115. 1. **(1)** All other laws to the contrary notwithstanding, the assessor or the  
2 assessor's deputies in all counties of this state including the City of St. Louis shall annually  
3 make a list of all real and tangible personal property taxable in the assessor's city, county,  
4 town or district.

5 **(2)** Except as otherwise provided in subsection 3 of this section and section 137.078,  
6 the assessor shall annually assess all personal property at thirty-three and one-third percent of  
7 its true value in money as of January first of each calendar year.

8 **(3)** The assessor shall annually assess all real property, including any new  
9 construction and improvements to real property, and possessory interests in real property at  
10 the percent of its true value in money set in subsection 5 of this section. The true value in  
11 money of any possessory interest in real property in subclass (3), where such real property is  
12 on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as  
13 defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and  
14 owned by a political subdivision, shall be the otherwise applicable true value in money of any  
15 such possessory interest in real property, less the total dollar amount of costs paid by a party,  
16 other than the political subdivision, towards any new construction or improvements on such  
17 real property completed after January 1, 2008, and which are included in the above-  
18 mentioned possessory interest, regardless of the year in which such costs were incurred or  
19 whether such costs were considered in any prior year. The assessor shall annually assess all  
20 real property in the following manner: new assessed values shall be determined as of January  
21 first of each odd-numbered year and shall be entered in the assessor's books; those same  
22 assessed values shall apply in the following even-numbered year, except for new construction  
23 and property improvements which shall be valued as though they had been completed as of  
24 January first of the preceding odd-numbered year. The assessor may call at the office, place  
25 of doing business, or residence of each person required by this chapter to list property, and  
26 require the person to make a correct statement of all taxable tangible personal property owned  
27 by the person or under his or her care, charge or management, taxable in the county.

28 **(4)** On or before January first of each even-numbered year, the assessor shall prepare  
29 and submit a two-year assessment maintenance plan to the county governing body and the  
30 state tax commission for their respective approval or modification. The county governing  
31 body shall approve and forward such plan or its alternative to the plan to the state tax  
32 commission by February first. If the county governing body fails to forward the plan or its  
33 alternative to the plan to the state tax commission by February first, the assessor's plan shall  
34 be considered approved by the county governing body. If the state tax commission fails to  
35 approve a plan and if the state tax commission and the assessor and the governing body of the

36 county involved are unable to resolve the differences, in order to receive state cost-share  
37 funds outlined in section 137.750, the county or the assessor shall petition the administrative  
38 hearing commission, by May first, to decide all matters in dispute regarding the assessment  
39 maintenance plan. Upon agreement of the parties, the matter may be stayed while the parties  
40 proceed with mediation or arbitration upon terms agreed to by the parties. The final decision  
41 of the administrative hearing commission shall be subject to judicial review in the circuit  
42 court of the county involved.

43 **(5)** In the event a valuation of subclass (1) real property **or subclass (3) real**  
44 **property** within any county with a charter form of government, or within a city not within a  
45 county, is made by a computer, computer-assisted method or a computer program, the burden  
46 of proof, supported by clear, convincing and cogent evidence to sustain such valuation, shall  
47 be on the assessor at any hearing or appeal. In any such county, unless the assessor proves  
48 otherwise, there shall be a presumption that the assessment was made by a computer,  
49 computer-assisted method or a computer program. Such evidence shall include, but shall not  
50 be limited to, the following:

51 ~~[(1)]~~ **(a)** The findings of the assessor based on an appraisal of the property by  
52 generally accepted appraisal techniques; and

53 ~~[(2)]~~ **(b)** The purchase prices from sales of at least three comparable properties and  
54 the address or location thereof. As used in this subdivision, the word "comparable" means  
55 that:

56 ~~[(a)]~~ **a.** Such sale was closed at a date relevant to the property valuation; and

57 ~~[(b)]~~ **b.** Such properties are not more than one mile from the site of the disputed  
58 property, except where no similar properties exist within one mile of the disputed property,  
59 the nearest comparable property shall be used. Such property shall be within five hundred  
60 square feet in size of the disputed property, and resemble the disputed property in age, floor  
61 plan, number of rooms, and other relevant characteristics.

62 2. Assessors in each county of this state and the City of St. Louis may send personal  
63 property assessment forms through the mail.

64 3. The following items of personal property shall each constitute separate subclasses  
65 of tangible personal property and shall be assessed and valued for the purposes of taxation at  
66 the following percentages of their true value in money:

67 (1) Grain and other agricultural crops in an unmanufactured condition, one-half of  
68 one percent;

69 (2) Livestock, twelve percent;

70 (3) Farm machinery, twelve percent;

71 (4) Motor vehicles which are eligible for registration as and are registered as historic  
72 motor vehicles pursuant to section 301.131 and aircraft which are at least twenty-five years

73 old and which are used solely for noncommercial purposes and are operated less than two  
74 hundred hours per year or aircraft that are home built from a kit, five percent;

75 (5) Poultry, twelve percent;

76 (6) Tools and equipment used for pollution control and tools and equipment used in  
77 retooling for the purpose of introducing new product lines or used for making improvements  
78 to existing products by any company which is located in a state enterprise zone and which is  
79 identified by any standard industrial classification number cited in subdivision (7) of section  
80 135.200, twenty-five percent; and

81 (7) Solar panels, racking systems, inverters, and related solar equipment, components,  
82 materials, and supplies installed in connection with solar photovoltaic energy systems, as  
83 described in subdivision (46) of subsection 2 of section 144.030, that were constructed and  
84 producing solar energy prior to August 9, 2022, five percent.

85 4. The person listing the property shall enter a true and correct statement of the  
86 property, in a printed blank prepared for that purpose. The statement, after being filled out,  
87 shall be signed and either affirmed or sworn to as provided in section 137.155. The list shall  
88 then be delivered to the assessor.

89 5. (1) All subclasses of real property, as such subclasses are established in Section 4  
90 (b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed  
91 at the following percentages of true value:

92 (a) For real property in subclass (1), nineteen percent;

93 (b) For real property in subclass (2), twelve percent; and

94 (c) For real property in subclass (3), thirty-two percent.

95 (2) A taxpayer may apply to the county assessor, or, if not located within a county,  
96 then the assessor of such city, for the reclassification of such taxpayer's real property if the use  
97 or purpose of such real property is changed after such property is assessed under the  
98 provisions of this chapter. If the assessor determines that such property shall be reclassified,  
99 he or she shall determine the assessment under this subsection based on the percentage of the  
100 tax year that such property was classified in each subclassification.

101 6. Manufactured homes, as defined in section 700.010, which are actually used as  
102 dwelling units shall be assessed at the same percentage of true value as residential real  
103 property for the purpose of taxation. The percentage of assessment of true value for such  
104 manufactured homes shall be the same as for residential real property. If the county collector  
105 cannot identify or find the manufactured home when attempting to attach the manufactured  
106 home for payment of taxes owed by the manufactured home owner, the county collector may  
107 request the county commission to have the manufactured home removed from the tax books,  
108 and such request shall be granted within thirty days after the request is made; however, the  
109 removal from the tax books does not remove the tax lien on the manufactured home if it is

110 later identified or found. For purposes of this section, a manufactured home located in a  
111 manufactured home rental park, rental community or on real estate not owned by the  
112 manufactured home owner shall be considered personal property. For purposes of this  
113 section, a manufactured home located on real estate owned by the manufactured home owner  
114 may be considered real property.

115           7. Each manufactured home assessed shall be considered a parcel for the purpose of  
116 reimbursement pursuant to section 137.750, unless the manufactured home is deemed to be  
117 real estate as defined in subsection 7 of section 442.015 and assessed as a realty improvement  
118 to the existing real estate parcel.

119           8. Any amount of tax due and owing based on the assessment of a manufactured  
120 home shall be included on the personal property tax statement of the manufactured home  
121 owner unless the manufactured home is deemed to be real estate as defined in subsection 7 of  
122 section 442.015, in which case the amount of tax due and owing on the assessment of the  
123 manufactured home as a realty improvement to the existing real estate parcel shall be  
124 included on the real property tax statement of the real estate owner.

125           9. The assessor of each county and each city not within a county shall use a nationally  
126 recognized automotive trade publication such as the National Automobile Dealers'  
127 Association Official Used Car Guide, Kelley Blue Book, Edmunds, or other similar  
128 publication as the recommended guide of information for determining the true value of motor  
129 vehicles described in such publication. The state tax commission shall select and make  
130 available to all assessors which publication shall be used. The assessor of each county and  
131 each city not within a county shall use the trade-in value published in the current October  
132 issue of the publication selected by the state tax commission. The assessor shall not use a  
133 value that is greater than the average trade-in value in determining the true value of the motor  
134 vehicle without performing a physical inspection of the motor vehicle. For vehicles two years  
135 old or newer from a vehicle's model year, the assessor may use a value other than average  
136 without performing a physical inspection of the motor vehicle. In the absence of a listing for  
137 a particular motor vehicle in such publication, the assessor shall use such information or  
138 publications that, in the assessor's judgment, will fairly estimate the true value in money of  
139 the motor vehicle. For motor vehicles with a true value of less than fifty thousand dollars as  
140 of January 1, 2025, the assessor shall not assess such motor vehicle for an amount greater  
141 than such motor vehicle was assessed in the previous year, provided that such motor vehicle  
142 was properly assessed in the previous year.

143           10. Before the assessor may increase the assessed valuation of any parcel of subclass  
144 (1) real property **or any parcel of subclass (3) real property** by more than fifteen percent  
145 since the last assessment, excluding increases due to new construction or improvements, the  
146 assessor shall conduct a physical inspection of such property.

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

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

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

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

184 ~~second regular session. A governing body of a city not within a county or a county that has~~  
185 ~~opted out under the provisions of this subsection may choose to implement the provisions of~~  
186 ~~this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of~~  
187 ~~the ninety first general assembly, second regular session, and section 137.073 as modified by~~  
188 ~~house committee substitute for senate substitute for senate committee substitute for senate bill~~  
189 ~~no. 960, ninety second general assembly, second regular session, for the next year of general~~  
190 ~~reassessment, by an affirmative vote of the governing body prior to December thirty first of~~  
191 ~~any year.~~

192 ~~15. The governing body of any city of the third classification with more than twenty-~~  
193 ~~six thousand three hundred but fewer than twenty six thousand seven hundred inhabitants~~  
194 ~~located in any county that has exercised its authority to opt out under subsection 14 of this~~  
195 ~~section may levy separate and differing tax rates for real and personal property only if such~~  
196 ~~city bills and collects its own property taxes or satisfies the entire cost of the billing and~~  
197 ~~collection of such separate and differing tax rates. Such separate and differing rates shall not~~  
198 ~~exceed such city's tax rate ceiling] **Beginning on January 1, 2027, each county and city not**~~  
199 ~~**within a county shall determine the assessed valuation, set and revise rates of levy, and**~~  
200 ~~**make adjustments to current levies required under Article X, Section 22 of the**~~  
201 ~~**Constitution of Missouri for each subclass of real property, individually, and personal**~~  
202 ~~**property, in the aggregate.**~~

203 ~~[+6.] 15. Any portion of real property that is available as reserve for strip, surface, or~~  
204 ~~coal mining for minerals for purposes of excavation for future use or sale to others that has~~  
205 ~~not been bonded and permitted under chapter 444 shall be assessed based upon how the real~~  
206 ~~property is currently being used. Any information provided to a county assessor, state tax~~  
207 ~~commission, state agency, or political subdivision responsible for the administration of tax~~  
208 ~~policies shall, in the performance of its duties, make available all books, records, and~~  
209 ~~information requested, except such books, records, and information as are by law declared~~  
210 ~~confidential in nature, including individually identifiable information regarding a specific~~  
211 ~~taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall~~  
212 ~~mean all real property that is in use or readily available as a reserve for strip, surface, or coal~~  
213 ~~mining for minerals for purposes of excavation for current or future use or sale to others that~~  
214 ~~has been bonded and permitted under chapter 444.~~

163.021. 1. A school district shall receive state aid for its education program only if  
2 it:

3 (1) Provides for at least a minimum school term as provided in section 171.031.  
4 When the aggregate hours lost in a term due to inclement weather decreases the total hours of  
5 the school term below the required minimum number of hours by more than twelve hours for

6 all-day students or six hours for one-half-day kindergarten students, all such hours below the  
7 minimum must be made up as provided in section 171.033;

8 (2) Maintains adequate and accurate records of attendance, personnel and finances, as  
9 required by the state board of education, which shall include the preparation of a financial  
10 statement which shall be submitted to the state board of education the same as required by the  
11 provisions of section 165.111 for districts;

12 (3) Levies an operating levy for school purposes of not less than one dollar and  
13 twenty-five cents after all adjustments and reductions on each one hundred dollars assessed  
14 valuation of the district; and

15 (4) Computes average daily attendance as defined in subdivision (2) of section  
16 163.011 as modified by section 171.031. Whenever there has existed within the district an  
17 infectious disease, contagion, epidemic, plague or similar condition whereby the school  
18 attendance is substantially reduced for an extended period in any school year, the  
19 apportionment of school funds and all other distribution of school moneys shall be made  
20 on the basis of the school year next preceding the year in which such condition existed.

21 2. (1) For the 2006-07 school year and thereafter, no school district shall receive  
22 more state aid, as calculated under subsections 1 and 2 of section 163.031, for its education  
23 program, exclusive of categorical add-ons, than it received per weighted average daily  
24 attendance for the school year 2005-06 from the foundation formula, line 14, gifted, remedial  
25 reading, exceptional pupil aid, fair share, and free textbook payment amounts, unless it has an  
26 operating levy for school purposes, as determined pursuant to section 163.011, of not less  
27 than:

28 (a) **For school years ending on or before June 30, 2026**, two dollars and seventy-  
29 five cents after all adjustments and reductions;

30 (b) **For the 2026-27 school year and all subsequent school years, two dollars and**  
31 **twenty cents after all adjustments and reductions. The maximum levy for any school**  
32 **district that imposed a levy of two dollars and seventy-five cents in 2026 shall be two**  
33 **dollars and seventy-five cents in 2027 and shall be subject to the provisions of Article X,**  
34 **Section 22 of the Constitution of Missouri thereafter.**

35 (2) Any district which is required, pursuant to Article X, Section 22 of the Missouri  
36 Constitution, to reduce its operating levy below the minimum tax rate otherwise required  
37 under this subsection shall not be construed to be in violation of this subsection for making  
38 such tax rate reduction.

39 (3) Pursuant to Section 10(c) of Article X of the state constitution, a school district  
40 may levy the operating levy for school purposes required by this subsection less all  
41 adjustments required pursuant to Article X, Section 22 of the Missouri Constitution if such  
42 rate does not exceed the highest tax rate in effect subsequent to the 1980 tax year.

43           **(4)** Nothing in this section shall be construed to mean that a school district is  
44 guaranteed to receive an amount not less than the amount the school district received per  
45 eligible pupil for the school year 1990-91.

46           **(5)** The provisions of this subsection shall not apply to any school district located in a  
47 county of the second classification which has a nuclear power plant located in such district or  
48 to any school district located in a county of the third classification which has an electric  
49 power generation unit with a rated generating capacity of more than one hundred fifty  
50 megawatts which is owned or operated or both by a rural electric cooperative except that such  
51 school districts may levy for current school purposes and capital projects an operating levy  
52 not to exceed two dollars and seventy-five cents less all adjustments required pursuant to  
53 Article X, Section 22 of the Missouri Constitution.

54           3. No school district shall receive more state aid, as calculated in section 163.031, for  
55 its education program, exclusive of categorical add-ons, than it received per eligible pupil for  
56 the school year 1993-94, if the state board of education determines that the district was not in  
57 compliance in the preceding school year with the requirements of section 163.172, until such  
58 time as the board determines that the district is again in compliance with the requirements of  
59 section 163.172.

60           4. No school district shall receive state aid, pursuant to section 163.031, if such  
61 district was not in compliance, during the preceding school year, with the requirement,  
62 established pursuant to section 160.530 to allocate revenue to the professional development  
63 committee of the district.

64           5. No school district shall receive more state aid, as calculated in subsections 1 and 2  
65 of section 163.031, for its education program, exclusive of categorical add-ons, than it  
66 received per weighted average daily attendance for the school year 2005-06 from the  
67 foundation formula, line 14, gifted, remedial reading, exceptional pupil aid, fair share, and  
68 free textbook payment amounts, if the district did not comply in the preceding school year  
69 with the requirements of subsection 5 of section 163.031.

70           6. Any school district that levies an operating levy for school purposes that is less  
71 than the performance levy, as such term is defined in section 163.011, shall provide written  
72 notice to the department of elementary and secondary education asserting that the district is  
73 providing an adequate education to the students of such district. If a school district asserts  
74 that it is not providing an adequate education to its students, such inadequacy shall be deemed  
75 to be a result of insufficient local effort. The provisions of this subsection shall not apply to  
76 any special district established under sections 162.815 to 162.940.

          Section B. If any provision of this act or the application thereof to any person or  
2 circumstance is held invalid, such determination shall not affect the provisions or applications

3 of this act which may be given effect without the invalid provision or application, and to that  
4 end the provisions of this act are severable.

✓