

SECOND REGULAR SESSION

HOUSE BILL NO. 1759

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MCGIRL.

5083H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

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

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

Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows:

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

(2) Except as otherwise provided in subsection 3 of this section and section 137.078, **for all calendar years ending on or before December 31, 2026**, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year. **Except as otherwise provided in subsection 3 of this section and section 137.078, for all calendar years beginning on or after January 1, 2027, the assessor shall annually assess all personal property at thirty percent of its true value in money as of January first of each calendar year.**

(3) The assessor shall annually assess all real property, including any new construction and improvements to real property, and possessory interests in real property at the percent of its true value in money set in subsection 5 of this section. The true value in money of any possessory interest in real property in subclass (3), where such real property is on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 owned by a political subdivision, shall be the otherwise applicable true value in money of any
19 such possessory interest in real property, less the total dollar amount of costs paid by a party,
20 other than the political subdivision, towards any new construction or improvements on such
21 real property completed after January 1, 2008, and which are included in the above-
22 mentioned possessory interest, regardless of the year in which such costs were incurred or
23 whether such costs were considered in any prior year. The assessor shall annually assess all
24 real property in the following manner: new assessed values shall be determined as of January
25 first of each odd-numbered year and shall be entered in the assessor's books; those same
26 assessed values shall apply in the following even-numbered year, except for new construction
27 and property improvements which shall be valued as though they had been completed as of
28 January first of the preceding odd-numbered year. The assessor may call at the office, place
29 of doing business, or residence of each person required by this chapter to list property, and
30 require the person to make a correct statement of all taxable tangible personal property owned
31 by the person or under his or her care, charge or management, taxable in the county.

32 (4) On or before January first of each even-numbered year, the assessor shall prepare
33 and submit a two-year assessment maintenance plan to the county governing body and the
34 state tax commission for their respective approval or modification. The county governing
35 body shall approve and forward such plan or its alternative to the plan to the state tax
36 commission by February first. If the county governing body fails to forward the plan or its
37 alternative to the plan to the state tax commission by February first, the assessor's plan shall
38 be considered approved by the county governing body. If the state tax commission fails to
39 approve a plan and if the state tax commission and the assessor and the governing body of the
40 county involved are unable to resolve the differences, in order to receive state cost-share
41 funds outlined in section 137.750, the county or the assessor shall petition the administrative
42 hearing commission, by May first, to decide all matters in dispute regarding the assessment
43 maintenance plan. Upon agreement of the parties, the matter may be stayed while the parties
44 proceed with mediation or arbitration upon terms agreed to by the parties. The final decision
45 of the administrative hearing commission shall be subject to judicial review in the circuit
46 court of the county involved.

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

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

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

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

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

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

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

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

72 (2) Livestock, twelve percent;

73 (3) Farm machinery, twelve percent;

74 (4) Motor vehicles which are eligible for registration as and are registered as historic
75 motor vehicles pursuant to section 301.131 and aircraft which are at least twenty-five years
76 old and which are used solely for noncommercial purposes and are operated less than two
77 hundred hours per year or aircraft that are home built from a kit, five percent;

78 (5) Poultry, twelve percent;

79 (6) Tools and equipment used for pollution control and tools and equipment used in
80 retooling for the purpose of introducing new product lines or used for making improvements
81 to existing products by any company which is located in a state enterprise zone and which is
82 identified by any standard industrial classification number cited in subdivision (7) of section
83 135.200, twenty-five percent; and

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

88 4. The person listing the property shall enter a true and correct statement of the
89 property, in a printed blank prepared for that purpose. The statement, after being filled out,

90 shall be signed and either affirmed or sworn to as provided in section 137.155. The list shall
91 then be delivered to the assessor.

92 5. (1) All subclasses of real property, as such subclasses are established in Section 4
93 (b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed
94 at the following percentages of true value:

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

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

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

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

104 6. Manufactured homes, as defined in section 700.010, which are actually used as
105 dwelling units shall be assessed at the same percentage of true value as residential real
106 property for the purpose of taxation. The percentage of assessment of true value for such
107 manufactured homes shall be the same as for residential real property. If the county collector
108 cannot identify or find the manufactured home when attempting to attach the manufactured
109 home for payment of taxes owed by the manufactured home owner, the county collector may
110 request the county commission to have the manufactured home removed from the tax books,
111 and such request shall be granted within thirty days after the request is made; however, the
112 removal from the tax books does not remove the tax lien on the manufactured home if it is
113 later identified or found. For purposes of this section, a manufactured home located in a
114 manufactured home rental park, rental community or on real estate not owned by the
115 manufactured home owner shall be considered personal property. For purposes of this
116 section, a manufactured home located on real estate owned by the manufactured home owner
117 may be considered real property.

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

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

126 manufactured home as a realty improvement to the existing real estate parcel shall be
127 included on the real property tax statement of the real estate owner.

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

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

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

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

162 the like shall not be considered sufficient to constitute a physical inspection as required by
163 this section.

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

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

195 15. The governing body of any city of the third classification with more than twenty-
196 six thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants
197 located in any county that has exercised its authority to opt out under subsection 14 of this
198 section may levy separate and differing tax rates for real and personal property only if such

199 city bills and collects its own property taxes or satisfies the entire cost of the billing and
200 collection of such separate and differing tax rates. Such separate and differing rates shall not
201 exceed such city's tax rate ceiling.

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

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