

SECOND REGULAR SESSION

HOUSE BILL NO. 2098

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE DAVIS.

5412H.01I

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal section 137.016, RSMo, and to enact in lieu thereof one new section relating to subclasses of real property.

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

Section A. Section 137.016, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.016, to read as follows:

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

(1) "Residential property"~~[-]~~:

(a) All real property improved by a structure which is used or intended to be used for residential living by human occupants~~[-]~~;

(b) Vacant land in connection with an airport~~[-, land used as a golf course,]~~;

(c) Manufactured home parks~~[-]~~;

(d) Bed and breakfast inns in which the owner resides and uses as a primary residence with six or fewer rooms for rent~~[-]~~; and

(e) Time-share units as defined in section 407.600, except to the extent such units are actually rented and subject to sales tax under subdivision (6) of subsection 1 of section 144.020, but residential property shall not include other similar facilities used primarily for transient housing. For the purposes of this section, "transient housing" means all rooms available for rent or lease for which the receipts from the rent or lease of such rooms are subject to state sales tax pursuant to subdivision (6) of subsection 1 of section 144.020;

(2) "Agricultural and horticultural property"~~[-]~~:

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 **(a)** All real property used for agricultural purposes and devoted primarily to the
18 raising and harvesting of crops; to the feeding, breeding and management of livestock which
19 shall include breeding, showing, and boarding of horses; to dairying, or to any other
20 combination thereof; and buildings and structures customarily associated with farming,
21 agricultural, and horticultural uses~~[-. Agricultural and horticultural property shall also~~
22 ~~include];~~

23 **(b)** Land devoted to and qualifying for payments or other compensation under a soil
24 conservation or agricultural assistance program under an agreement with an agency of the
25 federal government~~[-. Agricultural and horticultural property shall further include];~~

26 **(c)** Any reliever airport~~[-];~~

27 **(d)** Real property classified as forest croplands shall not be agricultural or
28 horticultural property so long as it is classified as forest croplands and shall be taxed in
29 accordance with the laws enacted to implement Section 7 of Article X of the Missouri
30 Constitution~~[-];~~

31 **(e)** Agricultural and horticultural property shall also include any sawmill or planing
32 mill defined in the U.S. Department of Labor's Standard Industrial Classification (SIC)
33 Manual under Industry Group 242 with the SIC number 2421~~[-];~~

34 **(f)** Agricultural and horticultural property shall also include urban and community
35 gardens. For the purposes of this section, "urban and community gardens" shall include real
36 property cultivated by residents of a neighborhood or community for the purposes of
37 providing agricultural products, as defined in section 262.900, for the use of residents of the
38 neighborhood or community, and shall not include a garden intended for individual or
39 personal use; **and**

40 **(g) Green space used exclusively for noncommercial, recreational purposes such**
41 **as parks, golf courses, nature preserves, and other areas commonly referred to as green**
42 **space;**

43 (3) "Utility, industrial, commercial, railroad and other real property"~~[-];~~

44 **(a)** All real property used directly or indirectly for any commercial, mining,
45 industrial, manufacturing, trade, professional, business, or similar purpose, including all
46 property centrally assessed by the state tax commission ~~[but];~~

47 **(b)** Shall not include floating docks, portions of which are separately owned and the
48 remainder of which is designated for common ownership and in which no one person or
49 business entity owns more than five individual units~~[-]; and~~

50 **(c)** All other real property not included in the property listed in subclasses (1) and (2)
51 of Section 4(b) of Article X of the Missouri Constitution, as such property is defined in this
52 section, shall be deemed to be included in the term "utility, industrial, commercial, railroad
53 and other real property".

54 2. Pursuant to Article X of the state Constitution, any taxing district may adjust its
55 operating levy to recoup any loss of property tax revenue, except revenues from the surtax
56 imposed pursuant to Article X, Subsection 2 of Section 6 of the Constitution, as the result of
57 changing the classification of structures intended to be used for residential living by human
58 occupants which contain five or more dwelling units if such adjustment of the levy does not
59 exceed the highest tax rate in effect subsequent to the 1980 tax year. For purposes of this
60 section, loss in revenue shall include the difference between the revenue that would have been
61 collected on such property under its classification prior to enactment of this section and the
62 amount to be collected under its classification under this section. The county assessor of each
63 county or city not within a county shall provide information to each taxing district within its
64 boundaries regarding the difference in assessed valuation of such property as the result of
65 such change in classification.

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

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

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

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

85 (2) Location of such property;

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

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

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

93 (6) Size of such property;

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

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

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

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