

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 2098**  
**103RD GENERAL ASSEMBLY**

5412H.02C

JOSEPH ENGLER, Chief Clerk

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**AN ACT**

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

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*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Section A. Section 137.016, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.016, to read as follows: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,]~~ **recreational area. For the purposes of this section, "recreational area" means land that is used for noncommercial leisure or aesthetic purposes, such as playgrounds, outdoor sports facilities, golf courses, shared neighborhood common grounds, nature preserves, or other open spaces as defined in section 67.900;**

(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. **A single-family home owned by a sole proprietor, individual, partnership, or limited liability company that is leased for a term of less than thirty**

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.

19 **consecutive days, in whole or in part, subject to sales tax under subdivision (6) of**  
20 **subsection 1 of section 144.020 shall be classified only as residential property.** For the  
21 purposes of this section, "transient housing" means all rooms available for rent or lease for  
22 which the receipts from the rent or lease of such rooms are subject to state sales tax pursuant  
23 to subdivision (6) of subsection 1 of section 144.020; **the leasing of a single-family home, in**  
24 **whole or in part, for a term of less than thirty consecutive days does not in itself**  
25 **constitute "transient housing";**

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

27 (a) All real property used for agricultural purposes and devoted primarily to the  
28 raising and harvesting of crops; to the feeding, breeding and management of livestock which  
29 shall include breeding, showing, and boarding of horses; to dairying, or to any other  
30 combination thereof; and buildings and structures customarily associated with farming,  
31 agricultural, and horticultural uses[~~—Agricultural and horticultural property shall also~~  
32 ~~include~~];

33 (b) Land devoted to and qualifying for payments or other compensation under a soil  
34 conservation or agricultural assistance program under an agreement with an agency of the  
35 federal government[~~—Agricultural and horticultural property shall further include~~];

36 (c) Any reliever airport[-];

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

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

44 (f) Agricultural and horticultural property shall also include urban and community  
45 gardens. For the purposes of this section, "urban and community gardens" shall include real  
46 property cultivated by residents of a neighborhood or community for the purposes of  
47 providing agricultural products, as defined in section 262.900, for the use of residents of the  
48 neighborhood or community, and shall not include a garden intended for individual or  
49 personal use;

50 (3) "Utility, industrial, commercial, railroad and other real property"[-]:

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

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

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

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

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

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

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

- 91 (1) Immediate prior use, if any, of such property;
- 92 (2) Location of such property;
- 93 (3) Zoning classification of such property; except that, such zoning classification
- 94 shall not be considered conclusive if, upon consideration of all factors, it is determined that
- 95 such zoning classification does not reflect the immediate most suitable economic use of the
- 96 property;
- 97 (4) Other legal restrictions on the use of such property;
- 98 (5) Availability of water, electricity, gas, sewers, street lighting, and other public
- 99 services for such property;
- 100 (6) Size of such property;
- 101 (7) Access of such property to public thoroughfares; and
- 102 (8) Any other factors relevant to a determination of the immediate most suitable
- 103 economic use of such property.

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

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