

SECOND REGULAR SESSION

HOUSE BILL NO. 2329

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE WEST.

5822H.01I

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 taxes.

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Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows: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, the assessor shall annually assess all personal property **as follows:**

(a) Before January 1, 2027, at thirty-three and one-third percent of its true value in money as of January first of each calendar year; **and**

(b) Beginning January 1, 2027, the percentage of the true value in money at which tangible personal property is subject to assessment under the provisions of this subsection shall be reduced by five and one-ninth percent each year for a period of three years. The assessor shall annually assess all personal property as of January first of each calendar year at such percentages as follows:

a. For the calendar year 2027, twenty-eight and two-ninths percent of its true value in money;

b. For the calendar year 2028, twenty-three and one-ninth percent of its true value in money; 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 **c. For the calendar year 2029 and all subsequent years, eighteen percent of its**
19 **true value in money.**

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

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

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

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

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

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

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

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

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

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

80 (2) Livestock, twelve percent;

81 (3) Farm machinery, twelve percent;

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

86 (5) Poultry, twelve percent;

87 (6) Tools and equipment used for pollution control and tools and equipment used in
88 retooling for the purpose of introducing new product lines or used for making improvements
89 to existing products by any company which is located in a state enterprise zone and which is
90 identified by any standard industrial classification number cited in subdivision (7) of section
91 135.200, twenty-five percent; and

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

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

100 5. (1) All subclasses of real property, as such subclasses are established in Section 4
101 (b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed
102 at the following percentages of true value:

- 103 (a) For real property in subclass (1), nineteen percent;
104 (b) For real property in subclass (2), twelve percent; and
105 (c) For real property in subclass (3), thirty-two percent.

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

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

126 7. Each manufactured home assessed shall be considered a parcel for the purpose of
127 reimbursement pursuant to section 137.750, unless the manufactured home is deemed to be

128 real estate as defined in subsection 7 of section 442.015 and assessed as a realty improvement
129 to the existing real estate parcel.

130 8. Any amount of tax due and owing based on the assessment of a manufactured
131 home shall be included on the personal property tax statement of the manufactured home
132 owner unless the manufactured home is deemed to be real estate as defined in subsection 7 of
133 section 442.015, in which case the amount of tax due and owing on the assessment of the
134 manufactured home as a realty improvement to the existing real estate parcel shall be
135 included on the real property tax statement of the real estate owner.

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

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

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

164 12. A physical inspection, as required by subsection 10 of this section, shall include,
165 but not be limited to, an on-site personal observation and review of all exterior portions of the
166 land and any buildings and improvements to which the inspector has or may reasonably and
167 lawfully gain external access, and shall include an observation and review of the interior of
168 any buildings or improvements on the property upon the timely request of the owner pursuant
169 to subsection 11 of this section. Mere observation of the property via a drive-by inspection or
170 the like shall not be considered sufficient to constitute a physical inspection as required by
171 this section.

172 13. A county or city collector may accept credit cards as proper form of payment of
173 outstanding property tax or license due. No county or city collector may charge surcharge for
174 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,
175 processor, or issuer for its service. A county or city collector may accept payment by
176 electronic transfers of funds in payment of any tax or license and charge the person making
177 such payment a fee equal to the fee charged the county by the bank, processor, or issuer of
178 such electronic payment.

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

201 reassessment, by an affirmative vote of the governing body prior to December thirty-first of
202 any year.

203 15. The governing body of any city of the third classification with more than twenty-
204 six thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants
205 located in any county that has exercised its authority to opt out under subsection 14 of this
206 section may levy separate and differing tax rates for real and personal property only if such
207 city bills and collects its own property taxes or satisfies the entire cost of the billing and
208 collection of such separate and differing tax rates. Such separate and differing rates shall not
209 exceed such city's tax rate ceiling.

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

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