

SECOND REGULAR SESSION

HOUSE BILL NO. 2859

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MATTHIESEN.

6167H.01I

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal section 137.115, RSMo, and to enact in lieu thereof two new sections 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Section A. Section 137.115, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 137.102 and 137.115, to read as follows:

137.102. 1. As used in this section, the following terms mean:

(1) "Farm machinery", the same meaning as such term is defined under section 32.085 for such items that were manufactured ten years or more prior to the current calendar year as such items are assessed and valued as tangible personal property under this section or any other provision of law;

(2) "Motor vehicles", the same meaning as such term is defined under section 301.010 for such items that were manufactured ten years or more prior to the current calendar year as such items are assessed and valued as tangible personal property under this section or any other provision of law. The term "motor vehicles" includes "vehicle" as defined under section 301.010, "recreational vehicle" as defined under section 700.010, "trailer" as defined under section 301.010, motor vehicles and certain aircraft as described under subdivision (4) of subsection 3 of section 137.115, and motor vehicles as described under subdivision (6) of section 137.080.

2. Farm machinery and motor vehicles as defined under this section shall be exempt from all applicable state and local tangible personal property taxation beginning January first of the calendar year immediately following the adoption of a constitutional

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 amendment authorizing the exemption of tangible personal property from taxation
18 under Article X, Section 6 of the Constitution of Missouri.

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. Except as otherwise provided in subsection 3 of this section and section
5 137.078, the assessor shall annually assess all personal property at thirty-three and one-third
6 percent of its true value in money as of January first of each calendar year **through calendar**
7 **year 2026.**

8 (2) Except as otherwise provided in subsection 3 of this section and section
9 137.078, beginning on or after January 1, 2027, the percentage of the true value in
10 money at which tangible personal property is subject to assessment under the provisions
11 of this subsection shall be reduced annually over a period of years. The assessor shall
12 annually assess all personal property as of January first of each calendar year at such
13 percentages as follows:

- 14 (a) For the calendar year 2027, thirty percent of its true value in money;
- 15 (b) For the calendar year 2029, twenty-eight percent of its true value in money;
- 16 (c) For the calendar year 2031, twenty-six percent of its true value in money;
- 17 (d) For the calendar year 2033, twenty-four percent of its true value in money;
- 18 (e) For the calendar year 2035, twenty-two percent of its true value in money;
- 19 (f) For the calendar year 2037, twenty percent of its true value in money;
- 20 (g) For the calendar year 2039, eighteen percent of its true value in money; and
- 21 (h) For the calendar year 2041 and all subsequent years, sixteen percent of its
22 true value in money.

23 (3) The assessor shall annually assess all real property, including any new
24 construction and improvements to real property, and possessory interests in real property at
25 the percent of its true value in money set in subsection 5 of this section. The true value in
26 money of any possessory interest in real property in subclass (3), where such real property is
27 on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as
28 defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and
29 owned by a political subdivision, shall be the otherwise applicable true value in money of any
30 such possessory interest in real property, less the total dollar amount of costs paid by a party,
31 other than the political subdivision, towards any new construction or improvements on such
32 real property completed after January 1, 2008, and which are included in the above-
33 mentioned possessory interest, regardless of the year in which such costs were incurred or
34 whether such costs were considered in any prior year. The assessor shall annually assess all
35 real property in the following manner: new assessed values shall be determined as of January

36 first of each odd-numbered year and shall be entered in the assessor's books; those same
37 assessed values shall apply in the following even-numbered year, except for new construction
38 and property improvements which shall be valued as though they had been completed as of
39 January first of the preceding odd-numbered year. The assessor may call at the office, place
40 of doing business, or residence of each person required by this chapter to list property, and
41 require the person to make a correct statement of all taxable tangible personal property owned
42 by the person or under his or her care, charge or management, taxable in the county. On or
43 before January first of each even-numbered year, the assessor shall prepare and submit a two-
44 year assessment maintenance plan to the county governing body and the state tax commission
45 for their respective approval or modification. The county governing body shall approve and
46 forward such plan or its alternative to the plan to the state tax commission by February first.
47 If the county governing body fails to forward the plan or its alternative to the plan to the state
48 tax commission by February first, the assessor's plan shall be considered approved by the
49 county governing body. If the state tax commission fails to approve a plan and if the state tax
50 commission and the assessor and the governing body of the county involved are unable to
51 resolve the differences, in order to receive state cost-share funds outlined in section 137.750,
52 the county or the assessor shall petition the administrative hearing commission, by May first,
53 to decide all matters in dispute regarding the assessment maintenance plan. Upon agreement
54 of the parties, the matter may be stayed while the parties proceed with mediation or
55 arbitration upon terms agreed to by the parties. The final decision of the administrative
56 hearing commission shall be subject to judicial review in the circuit court of the county
57 involved. In the event a valuation of subclass (1) real property within any county with a
58 charter form of government, or within a city not within a county, is made by a computer,
59 computer-assisted method or a computer program, the burden of proof, supported by clear,
60 convincing and cogent evidence to sustain such valuation, shall be on the assessor at any
61 hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a
62 presumption that the assessment was made by a computer, computer-assisted method or a
63 computer program. Such evidence shall include, but shall not be limited to, the following:
64 ~~[(1)]~~ (a) The findings of the assessor based on an appraisal of the property by
65 generally accepted appraisal techniques; and
66 ~~[(2)]~~ (b) The purchase prices from sales of at least three comparable properties and
67 the address or location thereof. As used in this subdivision, the word "comparable" means
68 that:
69 ~~[(a)]~~ a. Such sale was closed at a date relevant to the property valuation; and
70 ~~[(b)]~~ b. Such properties are not more than one mile from the site of the disputed
71 property, except where no similar properties exist within one mile of the disputed property,
72 the nearest comparable property shall be used. Such property shall be within five hundred

73 square feet in size of the disputed property, and resemble the disputed property in age, floor
74 plan, number of rooms, and other relevant characteristics.

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

77 3. **Except as otherwise provided under section 137.102**, the following items of
78 personal property shall each constitute separate subclasses of tangible personal property and
79 shall be assessed and valued for the purposes of taxation at the following percentages of their
80 true value in money:

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

83 (2) Livestock, twelve percent;

84 (3) Farm machinery, twelve percent;

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

89 (5) Poultry, twelve percent;

90 (6) Tools and equipment used for pollution control and tools and equipment used in
91 retooling for the purpose of introducing new product lines or used for making improvements
92 to existing products by any company which is located in a state enterprise zone and which is
93 identified by any standard industrial classification number cited in subdivision (7) of section
94 135.200, twenty-five percent; and

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

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

103 5. (1) All subclasses of real property, as such subclasses are established in Section 4
104 (b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed
105 at the following percentages of true value:

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

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

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

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

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

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

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

139 9. The assessor of each county and each city not within a county shall use a nationally
140 recognized automotive trade publication such as the National Automobile Dealers'
141 Association Official Used Car Guide, Kelley Blue Book, Edmunds, or other similar
142 publication as the recommended guide of information for determining the true value of motor
143 vehicles described in such publication. The state tax commission shall select and make
144 available to all assessors which publication shall be used. The assessor of each county and
145 each city not within a county shall use the trade-in value published in the current October

146 issue of the publication selected by the state tax commission. The assessor shall not use a
147 value that is greater than the average trade-in value in determining the true value of the motor
148 vehicle without performing a physical inspection of the motor vehicle. For vehicles two years
149 old or newer from a vehicle's model year, the assessor may use a value other than average
150 without performing a physical inspection of the motor vehicle. In the absence of a listing for
151 a particular motor vehicle in such publication, the assessor shall use such information or
152 publications that, in the assessor's judgment, will fairly estimate the true value in money of
153 the motor vehicle. For motor vehicles with a true value of less than fifty thousand dollars as
154 of January 1, 2025, the assessor shall not assess such motor vehicle for an amount greater
155 than such motor vehicle was assessed in the previous year, provided that such motor vehicle
156 was properly assessed in the previous year.

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

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

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

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

14. Any county or city not within a county in this state may, by an affirmative vote of the governing body of such county, opt out of the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of the general reassessment, prior to January first of any year. No county or city not within a county shall exercise this opt-out provision after implementing the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, in a year of general reassessment. For the purposes of applying the provisions of this subsection, a political subdivision contained within two or more counties where at least one of such counties has opted out and at least one of such counties has not opted out shall calculate a single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly, second regular session. A governing body of a city not within a county or a county that has opted out under the provisions of this subsection may choose to implement the provisions of this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session, and section 137.073 as modified by house committee substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general assembly, second regular session, for the next year of general reassessment, by an affirmative vote of the governing body prior to December thirty-first of any year.

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

16. Any portion of real property that is available as reserve for strip, surface, or coal mining for minerals for purposes of excavation for future use or sale to others that has not been bonded and permitted under chapter 444 shall be assessed based upon how the real property is currently being used. Any information provided to a county assessor, state tax commission, state agency, or political subdivision responsible for the administration of tax policies shall, in the performance of its duties, make available all books, records, and

219 information requested, except such books, records, and information as are by law declared
220 confidential in nature, including individually identifiable information regarding a specific
221 taxpayer or taxpayer's mine property. For purposes of this subsection, "mine property" shall
222 mean all real property that is in use or readily available as a reserve for strip, surface, or coal
223 mining for minerals for purposes of excavation for current or future use or sale to others that
224 has been bonded and permitted under chapter 444.

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