

SECOND REGULAR SESSION

HOUSE BILL NO. 3476

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE REEDY.

6940H.011

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal sections 137.115 and 137.243, RSMo, and to enact in lieu thereof two new sections relating to property assessments.

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

Section A. Sections 137.115 and 137.243, RSMo, are repealed and two new sections
2 enacted in lieu thereof, to be known as sections 137.115 and 137.243, to read as follows:

137.115. 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, **provided that**
7 **beginning January 1, 2027, thirty-three and one-third percent shall be the base year**
8 **value for the calculation under subdivision (2) of subsection 5 of this section.** The
9 assessor shall annually assess all real property, including any new construction and
10 improvements to real property, and possessory interests in real property at the percent of its
11 true value in money set in subsection 5 of this section. The true value in money of any
12 possessory interest in real property in subclass (3), where such real property is on or lies
13 within the ultimate airport boundary as shown by a federal airport layout plan, as defined by
14 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a
15 political subdivision, shall be the otherwise applicable true value in money of any such
16 possessory interest in real property, less the total dollar amount of costs paid by a party, other
17 than the political subdivision, towards any new construction or improvements on such real

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 property completed after January 1, 2008, and which are included in the above-mentioned
19 possessory interest, regardless of the year in which such costs were incurred or whether such
20 costs were considered in any prior year. The assessor shall annually assess all real property in
21 the following manner: new assessed values shall be determined as of January first of each
22 odd-numbered year and shall be entered in the assessor's books; those same assessed values
23 shall apply in the following even-numbered year, except for new construction and property
24 improvements which shall be valued as though they had been completed as of January first of
25 the preceding odd-numbered year. The assessor may call at the office, place of doing
26 business, or residence of each person required by this chapter to list property, and require the
27 person to make a correct statement of all taxable tangible personal property owned by the
28 person or under his or her care, charge or management, taxable in the county. On or before
29 January first of each even-numbered year, the assessor shall prepare and submit a two-year
30 assessment maintenance plan to the county governing body and the state tax commission for
31 their respective approval or modification. The county governing body shall approve and
32 forward such plan or its alternative to the plan to the state tax commission by February first.
33 If the county governing body fails to forward the plan or its alternative to the plan to the state
34 tax commission by February first, the assessor's plan shall be considered approved by the
35 county governing body. If the state tax commission fails to approve a plan and if the state tax
36 commission and the assessor and the governing body of the county involved are unable to
37 resolve the differences, in order to receive state cost-share funds outlined in section 137.750,
38 the county or the assessor shall petition the administrative hearing commission, by May first,
39 to decide all matters in dispute regarding the assessment maintenance plan. Upon agreement
40 of the parties, the matter may be stayed while the parties proceed with mediation or
41 arbitration upon terms agreed to by the parties. The final decision of the administrative
42 hearing commission shall be subject to judicial review in the circuit court of the county
43 involved. In the event a valuation of subclass (1) real property within any county with a
44 charter form of government, or within a city not within a county, is made by a computer,
45 computer-assisted method or a computer program, the burden of proof, supported by clear,
46 convincing and cogent evidence to sustain such valuation, shall be on the assessor at any
47 hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a
48 presumption that the assessment was made by a computer, computer-assisted method or a
49 computer program. Such evidence shall include, but shall not be limited to, the following:

50 (1) The findings of the assessor based on an appraisal of the property by generally
51 accepted appraisal techniques; and

52 (2) The purchase prices from sales of at least three comparable properties and the
53 address or location thereof. As used in this subdivision, the word "comparable" means that:

54 (a) Such sale was closed at a date relevant to the property valuation; and

55 (b) Such properties are not more than one mile from the site of the disputed property,
56 except where no similar properties exist within one mile of the disputed property, the nearest
57 comparable property shall be used. Such property shall be within five hundred square feet in
58 size of the disputed property, and resemble the disputed property in age, floor plan, number of
59 rooms, and other relevant characteristics.

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

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

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

67 (2) Livestock, twelve percent;

68 (3) Farm machinery, twelve percent;

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

73 (5) Poultry, twelve percent;

74 (6) Tools and equipment used for pollution control and tools and equipment used in
75 retooling for the purpose of introducing new product lines or used for making improvements
76 to existing products by any company which is located in a state enterprise zone and which is
77 identified by any standard industrial classification number cited in subdivision (7) of section
78 135.200, twenty-five percent; and

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

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

87 5. (1) All subclasses of real property, as such subclasses are established in Section 4
88 (b) of Article X of the Missouri Constitution and defined in section 137.016, shall be assessed
89 at the following percentages of true value:

90 (a) For real property in subclass (1):

91 a. **Before January 1, 2027**, nineteen percent; **and**

92 **b. Beginning January 1, 2027, nineteen percent shall be the base year value for**
93 **the calculation performed under subdivision (2) of this subsection;**

94 (b) For real property in subclass (2):

95 **a. Before January 1, 2027, twelve percent;**

96 **b. Beginning January 1, 2027, for land described in subsection 1 of section**
97 **137.017, twelve percent; and**

98 **c. Beginning January 1, 2027, for property described in subsection 4 of section**
99 **137.017, twelve percent shall be the base year value for the calculation performed under**
100 **subdivision (2) of this subsection; and**

101 (c) For real property in subclass (3):

102 **a. Before January 1, 2027, thirty-two percent; and**

103 **b. Beginning January 1, 2027, thirty-two percent shall be the base year value for**
104 **the calculation performed under subdivision (2) of this subsection.**

105 **(2) Beginning January 1, 2027, and every general reassessment year thereafter,**
106 **the state tax commission shall calculate the increase in valuation statewide for each**
107 **subclass of real property, individually. The state tax commission shall revise the value of**
108 **the assessment ratios for each subclass of real property to the value that would produce**
109 **the same amount of statewide assessed value for that subclass as the previous general**
110 **reassessment year's statewide assessed value plus the inflationary assessment growth for**
111 **each subclass of real property statewide. The inflationary assessment growth shall be**
112 **limited to the total assessed value growth in each subclass of real property, individually,**
113 **and personal property, in the aggregate, but not to exceed the increase in the general**
114 **price level as measured by the Consumer Price Index as described in subdivision (1) of**
115 **subsection 4 of section 137.073 or five percent, whichever is lower, for each year.**

116 **(3) A taxpayer may apply to the county assessor, or, if not located within a county,**
117 **then the assessor of such city, for the reclassification of such taxpayer's real property if the use**
118 **or purpose of such real property is changed after such property is assessed under the**
119 **provisions of this chapter. If the assessor determines that such property shall be reclassified,**
120 **he or she shall determine the assessment under this subsection based on the percentage of the**
121 **tax year that such property was classified in each subclassification.**

122 **6. Manufactured homes, as defined in section 700.010, which are actually used as**
123 **dwelling units shall be assessed at the same percentage of true value as residential real**
124 **property for the purpose of taxation. The percentage of assessment of true value for such**
125 **manufactured homes shall be the same as for residential real property. If the county collector**
126 **cannot identify or find the manufactured home when attempting to attach the manufactured**
127 **home for payment of taxes owed by the manufactured home owner, the county collector may**
128 **request the county commission to have the manufactured home removed from the tax books,**

129 and such request shall be granted within thirty days after the request is made; however, the
130 removal from the tax books does not remove the tax lien on the manufactured home if it is
131 later identified or found. For purposes of this section, a manufactured home located in a
132 manufactured home rental park, rental community or on real estate not owned by the
133 manufactured home owner shall be considered personal property. For purposes of this
134 section, a manufactured home located on real estate owned by the manufactured home owner
135 may be considered real property.

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

140 8. Any amount of tax due and owing based on the assessment of a manufactured
141 home shall be included on the personal property tax statement of the manufactured home
142 owner unless the manufactured home is deemed to be real estate as defined in subsection 7 of
143 section 442.015, in which case the amount of tax due and owing on the assessment of the
144 manufactured home as a realty improvement to the existing real estate parcel shall be
145 included on the real property tax statement of the real estate owner.

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

164 10. Before the assessor may increase the assessed valuation of any parcel of subclass
165 (1) real property by more than fifteen percent since the last assessment, excluding increases

166 due to new construction or improvements, the assessor shall conduct a physical inspection of
167 such property.

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

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

182 13. A county or city collector may accept credit cards as proper form of payment of
183 outstanding property tax or license due. No county or city collector may charge surcharge for
184 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,
185 processor, or issuer for its service. A county or city collector may accept payment by
186 electronic transfers of funds in payment of any tax or license and charge the person making
187 such payment a fee equal to the fee charged the county by the bank, processor, or issuer of
188 such electronic payment.

189 14. Any county or city not within a county in this state may, by an affirmative vote of
190 the governing body of such county, opt out of the provisions of this section and sections
191 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first general
192 assembly, second regular session and section 137.073 as modified by house committee
193 substitute for senate substitute for senate committee substitute for senate bill no. 960, ninety-
194 second general assembly, second regular session, for the next year of the general
195 reassessment, prior to January first of any year. No county or city not within a county
196 shall exercise this opt-out provision after implementing the provisions of this section and
197 sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of the ninety-first
198 general assembly, second regular session and section 137.073 as modified by house
199 committee substitute for senate substitute for senate committee substitute for senate bill no.
200 960, ninety-second general assembly, second regular session, in a year of general
201 reassessment. For the purposes of applying the provisions of this subsection, a political
202 subdivision contained within two or more counties where at least one of such counties has

203 opted out and at least one of such counties has not opted out shall calculate a single tax rate as
204 in effect prior to the enactment of house bill no. 1150 of the ninety-first general assembly,
205 second regular session. A governing body of a city not within a county or a county that has
206 opted out under the provisions of this subsection may choose to implement the provisions of
207 this section and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of
208 the ninety-first general assembly, second regular session, and section 137.073 as modified by
209 house committee substitute for senate substitute for senate committee substitute for senate bill
210 no. 960, ninety-second general assembly, second regular session, for the next year of general
211 reassessment, by an affirmative vote of the governing body prior to December thirty-first of
212 any year.

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

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

137.243. 1. To determine the "projected tax liability" required by subsections 2 and 4
2 of section 137.180, subsection 3 of section 137.355, and subsection 2 of section 137.490, the
3 assessor, on or before March first of each odd-numbered tax year, shall provide the clerk with
4 the assessment book which for this purpose shall contain the real estate values for that year,
5 the prior year's state assessed values, and the prior year's personal property values, **and**
6 **provide the state tax commission the values needed to calculate the assessment ratios**
7 **under section 137.115. The calculated assessment ratios shall be submitted to each**
8 **assessor's office on or before March fifteenth. Any change in assessed value reported to**

9 **the state tax commission after the calculation of the assessment ratio shall be forwarded**
10 **to the next general reassessment year.** On or before March [~~fifteenth~~] **thirtieth**, the clerk
11 shall make out an abstract of the assessment book showing the aggregate amounts of different
12 kinds of real, personal, and other tangible property and the valuations of each for each
13 political subdivision in the county, or in the city for any city not within a county, entitled to
14 levy ad valorem taxes on property except for municipalities maintaining their own tax or
15 assessment books. The governing body of each political subdivision or a person designated
16 by the governing body shall use such information to informally project a nonbinding tax levy
17 for that year and return such projected tax levy to the clerk no later than April [~~eighth~~]
18 **fifteenth**. The clerk shall forward such information to the collector who shall then calculate
19 and, no later than April thirtieth, provide to the assessor the projected tax liability for each
20 real estate parcel for which the assessor intends to mail a notice of increase pursuant to
21 sections 137.180, 137.355, and 137.490.

22 2. Political subdivisions located at least partially within two or more counties, which
23 are subject to divergent time requirements, shall comply with all requirements applicable to
24 each such county and may utilize the most recent available information to satisfy such
25 requirements.

26 3. Failure by an assessor to timely provide the assessment book or notice of increased
27 assessed value, as provided in this section, may result in the state tax commission withholding
28 all or a part of the moneys provided under section 137.720 and all state per-parcel
29 reimbursement funds which would otherwise be made available to such assessor.

30 4. Failure by a political subdivision to provide the clerk with a projected tax levy in
31 the time prescribed under this section shall result in a twenty percent reduction in such
32 political subdivision's tax rate for the tax year, unless such failure is a direct result of a
33 delinquency in the provision of, or failure to provide, information required by this section by
34 the assessor or the clerk. If a political subdivision fails to provide the projected tax rate as
35 provided in this section, the clerk shall notify the state auditor who shall, within seven days of
36 receiving such notice, estimate a nonbinding tax levy for such political subdivision and return
37 such to the clerk. The clerk shall notify the state auditor of any applicable reduction to a
38 political subdivision's tax rate.

39 5. Any taxing district wholly within a county with a township form of government
40 may, through a request submitted by the county clerk, request that the state auditor's office
41 estimate a nonbinding projected tax rate based on the information provided by the county
42 clerk. The auditor's office shall return the projected tax rate to the county clerk no later than
43 April eighth.

44 6. The clerk shall deliver the abstract of the assessment book to each taxing district
45 with a notice stating that their projected tax rates be returned to the clerk by April eighth.

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