FIRST REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
SENATE SUBSTITUTE FOR

SENATE BILL NO. 55

96TH GENERAL ASSEMBLY
2011

AN ACT
To repeal section 137.016, RSMo, and to enact in lieu thereof one new section relating to classification of certain 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Section A. Section 137.016, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.016, to read as follows: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) “Agricultural and horticultural property”, all real property used for agricultural purposes and devoted primarily to the raising and harvesting of crops; to the feeding, breeding and management of livestock which shall include breeding, showing, and boarding of horses; to dairying, or to any other combination thereof; and buildings and structures customarily associated with farming, agricultural, and horticultural uses. Agricultural and horticultural property shall also include land devoted to and qualifying for payments or other compensation under a soil conservation or agricultural assistance program under an agreement with an agency of the federal government. Agricultural and horticultural property shall further include land and improvements, exclusive of structures, on privately owned airports that qualify as reliever airports under the Nation Plan of Integrated Airports System, to receive federal airport improvement project funds through the Federal Aviation Administration. Real property classified as forest croplands shall not be agricultural or horticultural property so long as it is classified as forest croplands and shall be taxed in accordance with the laws enacted to implement section 7 of article X of the Missouri Constitution. Agricultural and horticultural property shall also include any sawmill or planing mill defined in the U.S. Department of Labor’s Standard Industrial Classification (SIC) Manual under Industry Group 242 with the SIC number 2421;

(2) "Residential property", all real property improved by a structure which
is used or intended to be used for residential living by human occupants, vacant
land in connection with an airport, land used as a golf course, and manufactured
home parks, 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;
(3) "Utility, industrial, commercial, railroad and other real property", all
real property used directly or indirectly, for any commercial, mining, industrial,
manufacturing, trade, professional, business, or similar purpose, including all
property centrally assessed by the state tax commission but shall not include
floating docks, portions of which are separately owned and the remainder of
which is designated for common ownership and in which no one person or
business entity owns more than five individual units. All other real property not
included in the property listed in subclasses (1) and (2) of section 4(b) of article
X of the Missouri Constitution, as such property is defined in this section, shall
be deemed to be included in the term "utility, industrial, commercial, railroad and
other real property".

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

3. All reclassification of property as the result of changing the
classification of structures intended to be used for residential living by human
occupants which contain five or more dwelling units shall apply to assessments

4. Where real property is used or held for use for more than one purpose
and such uses result in different classifications, the county assessor shall allocate
to each classification the percentage of the true value in money of the property
devoted to each use; except that, where agricultural and horticultural property,

as defined in this section, also contains a dwelling unit or units, the farm
dwelling, appurtenant residential-related structures and up to five acres
immediately surrounding such farm dwelling shall be residential property, as
defined in this section.

5. All real property which is vacant, unused, or held for future use; which
is used for a private club, a not-for-profit or other nonexempt lodge, club,
business, trade, service organization, or similar entity; or for which a
determination as to its classification cannot be made under the definitions set out
in subsection 1 of this section, shall be classified according to its immediate most
suitable economic use, which use shall be determined after consideration of:
(1) Immediate prior use, if any, of such property;
(2) Location of such property;
(3) Zoning classification of such property; except that, such zoning
classification shall not be considered conclusive if, upon consideration of all
factors, it is determined that such zoning classification does not reflect the
immediate most suitable economic use of the property;
(4) Other legal restrictions on the use of such property;
(5) Availability of water, electricity, gas, sewers, street lighting, and other
public services for such property;
(6) Size of such property;
(7) Access of such property to public thoroughfares; and
(8) Any other factors relevant to a determination of the immediate most
suitable economic use of such property.

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