

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILLS NOS. 67 & 40

91ST GENERAL ASSEMBLY

Reported from the Committee on Ways and Means, February 8, 2001, with recommendation that the Senate Committee Substitute do pass.

TERRY L. SPIELER, Secretary.

0345S.02C

AN ACT

To repeal section 137.115, RSMo 2000, relating to property taxation, and to enact in lieu thereof one new section relating to the same subject, with an effective date.

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

Section A. Section 137.115, RSMo 2000, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows:

137.115. 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. Except as otherwise provided in subsection 3 of this section, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year. The assessor shall annually assess all real property, including any new construction and improvements to real property, and possessory interests in real property at the percent of its true value in money set in subsection 5 of this section. The assessor shall annually assess all real property in the following manner: new assessed values shall be determined as of January first of each odd-numbered year and shall be entered in the assessor's books; those same assessed values shall apply in the following even-numbered year, except for new construction and property improvements which shall be valued as though they had been completed as of January first of the preceding odd-numbered year. The assessor may call at the office, place of doing business, or residence of each person required by this chapter to list property, and require the person to make a correct statement of all taxable real property in the county owned by the person, or under his or her care, charge or management, and all taxable tangible personal property owned by the person or under his or her care, charge or management, taxable in the county. On or before January first of each even-numbered year, the assessor shall prepare and submit a two-year assessment

maintenance plan to the county governing body and the state tax commission for their respective approval or modification. The county governing body shall approve and forward such plan or its alternative to the plan to the state tax commission by February first. If the county governing body fails to forward the plan or its alternative to the plan to the state tax commission by February first, the assessor's plan shall be considered approved by the county governing body. If the state tax commission fails to approve a plan and if the state tax commission and the assessor and the governing body of the county involved are unable to resolve the differences, in order to receive state cost-share funds outlined in section 137.750, the county or the assessor shall petition the administrative hearing commission, by May first, to decide all matters in dispute regarding the assessment maintenance plan. Upon agreement of the parties, the matter may be stayed while the parties proceed with mediation or arbitration upon terms agreed to by the parties. The final decision of the administrative hearing commission shall be subject to judicial review in the circuit court of the county involved. In the event a valuation of subclass (1) real property within any county of the first classification with a charter form of government, or within a city not within a county, is made by a computer, computer-assisted method or a computer program, the burden of proof, supported by clear, convincing and cogent evidence to sustain such valuation, shall be on the assessor at any hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a presumption that the assessment was made by a computer, computer-assisted method or a computer program. Such evidence shall include, but shall not be limited to, the following:

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

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

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

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

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

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

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

(2) Livestock, twelve percent;

(3) Farm machinery, twelve percent;

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

(5) Poultry, twelve percent; and

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

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

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

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

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

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

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

7. Each manufactured home assessed shall be considered a parcel for the purpose of reimbursement pursuant to section 137.750, unless the manufactured home has been converted to real property in compliance with section 700.111, RSMo, and assessed as a realty improvement

to the existing real estate parcel.

8. Any amount of tax due and owing based on the assessment of a manufactured home shall be included on the personal property tax statement of the manufactured home owner unless the manufactured home has been converted to real property in compliance with section 700.111, RSMo, in which case the amount of tax due and owing on the assessment of the manufactured home as a realty improvement to the existing real estate parcel shall be included on the real property tax statement of the real estate owner.

9. The assessor of each county and each city not within a county shall use the trade-in value published in the October issue of the National Automobile Dealers' Association Official Used Car Guide, or its successor publication, as the recommended guide of information for determining the true value of motor vehicles described in such publication. In the absence of a listing for a particular motor vehicle in such publication, the assessor shall use such information or publications which in the assessor's judgment will fairly estimate the true value in money of the motor vehicle.

10. If the assessor increases the assessed valuation of any parcel of subclass (1) real property by more than seventeen percent since the last assessment, excluding increases due to new construction or improvements, then the assessor shall conduct a physical inspection of such property.

11. A homestead exemption pursuant to article X, section 6(a) of the Missouri Constitution shall be allowed for certain real property pursuant to this subsection.

(1) The assessed value of real property satisfying the following criteria shall not be increased by the assessments made of real property by the assessor:

(a) The real property is owned by a person sixty-five years of age or older, or jointly owned by persons all of whom are sixty-five years of age or older;

(b) The real property is used by the owner as the owner's principal residence, or when jointly owned the property is used by all joint owners as their principal residence; and

(c) The owner of the real property attests that the property shall, in the year for which the homestead exemption is requested, have no improvements or new construction made to such property which have a value equal to fifteen percent or greater of the property's market value prior to the improvements or new construction;

(2) The exemption shall be for that portion of the assessed valuation of the homestead which exceeds the assessed valuation of the homestead in the year the owner reaches sixty-five years of age or on the effective date of this section, whichever is later;

(3) An eligible property owner may file for such an exemption with the county clerk on a form provided by the state tax commission by June first of the year preceding the first year for which the exemption is to be made. The property owner filing the form shall sign such form attesting to the truth of the information provided by such

owner. If the property for which the homestead exemption is sought has joint owners, then any such joint owner may file for the exemption. When any joint owner has elected to file for an exemption all other joint owners shall be bound by such election and the other joint owners shall not subsequently be eligible to file for an exemption for the jointly owned property. No provision of this section shall be construed to deny the granting of an exemption to property owned by married joint owners when only one of such owners is eligible for the exemption. The applicant shall state on the request that all requirements of subdivision (1) of this subsection are satisfied. The applicant shall file a copy of the person's birth certificate with the county clerk to establish eligibility for the exemption. The applicant shall also file as part of the request a copy of the applicant's most recent Missouri income tax return. The applicant shall sign such request attesting to the truth of the information provided. Once an exemption has been granted, the property owners who filed for the exemption shall not be required to refile for any succeeding year and the property shall remain exempted unless or until the property has a new owner or the property has been improved and the improvement exceeds the threshold set in subdivision (6) of this subsection;

(4) The county clerk shall verify from the birth certificate and form that the applicant is eligible for such exemption, and if the applicant is so eligible, the county clerk shall notify the county assessor, county collector and the state tax commission. In addition, the county clerk shall annually deliver to each political subdivision or other taxing jurisdiction which has levied ad valorem property taxes on the properties for which exemptions are granted under this section a listing of each parcel of real property for which the exemptions are granted;

(5) Any exemption granted pursuant to this subsection shall have no effect on the tax levied for the blind pension fund, pursuant to section 38(b) of article III of the Missouri Constitution, on the property for which the exemption is granted. The tax, however, shall not be collected from the person granted the exemption but a payment in lieu of such tax shall be made by the county within which such property lies. The county shall be reimbursed pursuant to subdivision (6) of this subsection for any revenues lost due to this subdivision;

(6) All revenue losses of any political subdivision resulting from the limitation on assessed valuations contained in this section shall be reimbursed to those political subdivisions by the state of Missouri through appropriations. Data substantiating revenue losses resulting from the limitation on assessed valuations as contained in this section shall be provided to the state auditor in such form as shall be prescribed by the state auditor by rule promulgated pursuant to chapter 536, RSMo. The required data shall be submitted for each political subdivision levying a property tax and shall be

submitted by either the county or the individual taxing authority as requested by the state auditor. Calculation or verification of the revenue loss shall be determined by the state auditor subsequent to the annual property tax rate review completed pursuant to section 137.073. All data and documents substantiating the revenue loss for each political subdivision shall be copied to each county clerk respectively and shall be retained and made available for public inspection by the county for a minimum of three years. Whenever a taxpayer in a taxing jurisdiction has cause to believe that the taxing jurisdiction has not complied with the provisions of this section, the taxpayer shall have legal standing to bring a civil action to determine and require compliance with this section.

Section B. The repeal and reenactment of section 137.115 shall become effective on January 1, 2002.

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