

SECOND REGULAR SESSION

SENATE BILL NO. 711

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATORS GIBBONS, KENNEDY AND LOUDON.

Pre-filed December 1, 2007, and ordered printed.

TERRY L. SPIELER, Secretary.

3297S.031

AN ACT

To repeal sections 135.025, 135.030, 137.073, 137.180, 137.245, 137.335, 137.355, 137.490, 137.720, 138.090, 138.395, 138.430, and 139.031, RSMo, and to enact in lieu thereof thirteen new sections relating to property taxation.

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

Section A. Sections 135.025, 135.030, 137.073, 137.180, 137.245, 137.335, 137.355, 137.490, 137.720, 138.090, 138.395, 138.430, and 139.031, RSMo, are repealed and thirteen new sections enacted in lieu thereof, to be known as sections 135.025, 135.030, 137.073, 137.180, 137.243, 137.245, 137.335, 137.355, 137.490, 137.720, 138.090, 138.430, and 139.031, to read as follows:

135.025. The property taxes accrued and rent constituting property taxes accrued on each return shall be totaled. This total, up to **[seven] eleven** hundred **[fifty]** dollars, shall be used in determining the property tax credit. The director of revenue shall prescribe regulations providing for allocations where part of a claimant's homestead is rented to another or used for nondwelling purposes or where a homestead is owned or rented or used as a dwelling for part of a year.

135.030. 1. As used in this section:

(1) The term "maximum upper limit" shall, for each calendar year after December 31, 1997, but before calendar year 2008, be the sum of twenty-five thousand dollars. For **[the] all** calendar **[year] years** beginning on **or after** January 1, 2008, the maximum upper limit shall be the sum of twenty-seven thousand five hundred dollars;

(2) The term "minimum base" shall, for each calendar year after December 31, 1997, but before calendar year 2008, be the sum of thirteen thousand dollars. For **[the] all** calendar **[year] years** beginning **on or after** January 1,

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

10 2008, the minimum base shall be the sum of fourteen thousand three hundred
11 dollars.

12 2. If the income on a return is equal to or less than the maximum upper
13 limit for the calendar year for which the return is filed, the property tax credit
14 shall be determined from a table of credits based upon the amount by which the
15 total property tax described in section 135.025 exceeds the percent of income in
16 the following list:

| 17 If the income on the return is: | The percent is: |
|------------------------------------|------------------------------|
| 18 Not over the minimum base | 0 percent with credit not to |
| 19 | exceed actual property tax |
| 20 | or rent equivalent paid up |
| 21 | to [\$750] \$1,100 |
| 22 Over the minimum base but | 1/16 percent accumulative |
| 23 not over the maximum upper | per \$300 from 0 percent |
| 24 limit | to 4 percent. |

25 The director of revenue shall prescribe a table based upon the preceding
26 sentences. The property tax shall be in increments of twenty-five dollars and the
27 income in increments of three hundred dollars. The credit shall be the amount
28 rounded to the nearest whole dollar computed on the basis of the property tax
29 and income at the midpoints of each increment. As used in this subsection, the
30 term "accumulative" means an increase by continuous or repeated application of
31 the percent to the income increment at each three hundred dollar level.

32 3. Notwithstanding subsection 4 of section 32.057, RSMo, the department
33 of revenue or any duly authorized employee or agent shall determine whether any
34 taxpayer filing a report or return with the department of revenue who has not
35 applied for the credit allowed pursuant to section 135.020 may qualify for the
36 credit, and shall notify any qualified claimant of the claimant's potential
37 eligibility, where the department determines such potential eligibility exists.

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

2 (1) "General reassessment", changes in value, entered in the assessor's
3 books, of a substantial portion of the parcels of real property within a county
4 resulting wholly or partly from reappraisal of value or other actions of the
5 assessor or county equalization body or ordered by the state tax commission or
6 any court;

7 (2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax
8 rate for each purpose of taxation of property a taxing authority is authorized to

9 levy without a vote and any tax rate authorized by election, including bond
10 interest and sinking fund;

11 (3) "Tax rate ceiling", a tax rate as revised by the taxing authority to
12 comply with the provisions of this section or when a court has determined the tax
13 rate; except that, other provisions of law to the contrary notwithstanding, a school
14 district may levy the operating levy for school purposes required for the current
15 year pursuant to subsection 2 of section 163.021, RSMo, less all adjustments
16 required pursuant to article X, section 22 of the Missouri Constitution, if such tax
17 rate does not exceed the highest tax rate in effect subsequent to the 1980 tax
18 year. This is the maximum tax rate that may be levied, unless a higher tax rate
19 ceiling is approved by voters of the political subdivision as provided in this
20 section;

21 (4) "Tax revenue", when referring to the previous year, means the actual
22 receipts from ad valorem levies on all classes of property, including state-assessed
23 property, in the immediately preceding fiscal year of the political subdivision,
24 plus an allowance for taxes billed but not collected in the fiscal year and plus an
25 additional allowance for the revenue which would have been collected from
26 property which was annexed by such political subdivision but which was not
27 previously used in determining tax revenue pursuant to this section. The term
28 "tax revenue" shall not include any receipts from ad valorem levies on any
29 property of a railroad corporation or a public utility, as these terms are defined
30 in section 386.020, RSMo, which were assessed by the assessor of a county or city
31 in the previous year but are assessed by the state tax commission in the current
32 year. All school districts and those counties levying sales taxes pursuant to
33 chapter 67, RSMo, shall include in the calculation of tax revenue an amount
34 equivalent to that by which they reduced property tax levies as a result of sales
35 tax pursuant to section 67.505, RSMo, and section 164.013, RSMo, or as excess
36 home dock city or county fees as provided in subsection 4 of section 313.820,
37 RSMo, in the immediately preceding fiscal year but not including any amount
38 calculated to adjust for prior years. For purposes of political subdivisions which
39 were authorized to levy a tax in the prior year but which did not levy such tax or
40 levied a reduced rate, the term "tax revenue", as used in relation to the revision
41 of tax levies mandated by law, shall mean the revenues equal to the amount that
42 would have been available if the voluntary rate reduction had not been made.

43 2. Whenever changes in assessed valuation are entered in the assessor's
44 books for any personal property, in the aggregate, or for any subclass of real

45 property as such subclasses are established in section 4(b) of article X of the
46 Missouri Constitution and defined in section 137.016, the county clerk in all
47 counties and the assessor of St. Louis City shall notify each political subdivision
48 wholly or partially within the county or St. Louis City of the change in valuation
49 of each subclass of real property, individually, and personal property, in the
50 aggregate, exclusive of new construction and improvements. All political
51 subdivisions shall immediately revise the applicable rates of levy for each purpose
52 for each subclass of real property, individually, and personal property, in the
53 aggregate, for which taxes are levied to the extent necessary to produce from all
54 taxable property, exclusive of new construction and improvements, substantially
55 the same amount of tax revenue as was produced in the previous year for each
56 subclass of real property, individually, and personal property, in the aggregate,
57 except that the rate may not exceed the greater of the rate in effect in the 1984
58 tax year or the most recent voter-approved rate. Such tax revenue shall not
59 include any receipts from ad valorem levies on any real property which was
60 assessed by the assessor of a county or city in such previous year but is assessed
61 by the assessor of a county or city in the current year in a different subclass of
62 real property. Where the taxing authority is a school district for the purposes of
63 revising the applicable rates of levy for each subclass of real property, the tax
64 revenues from state-assessed railroad and utility property shall be apportioned
65 and attributed to each subclass of real property based on the percentage of the
66 total assessed valuation of the county that each subclass of real property
67 represents in the current taxable year. As provided in section 22 of article X of
68 the constitution, a political subdivision may also revise each levy to allow for
69 inflationary assessment growth occurring within the political subdivision. The
70 inflationary growth factor for any such subclass of real property or personal
71 property shall be limited to the actual assessment growth in such subclass or
72 class, exclusive of new construction and improvements, and exclusive of the
73 assessed value on any real property which was assessed by the assessor of a
74 county or city in the current year in a different subclass of real property, but not
75 to exceed the consumer price index or five percent, whichever is lower. Should
76 the tax revenue of a political subdivision from the various tax rates determined
77 in this subsection be different than the tax revenue that would have been
78 determined from a single tax rate as calculated pursuant to the method of
79 calculation in this subsection prior to January 1, 2003, then the political
80 subdivision shall revise the tax rates of those subclasses of real property,

81 individually, and/or personal property, in the aggregate, in which there is a tax
82 rate reduction, pursuant to the provisions of this subsection. Such revision shall
83 yield an amount equal to such difference and shall be apportioned among such
84 subclasses of real property, individually, and/or personal property, in the
85 aggregate, based on the relative assessed valuation of the class or subclasses of
86 property experiencing a tax rate reduction. Such revision in the tax rates of each
87 class or subclass shall be made by computing the percentage of current year
88 adjusted assessed valuation of each class or subclass with a tax rate reduction to
89 the total current year adjusted assessed valuation of the class or subclasses with
90 a tax rate reduction, multiplying the resulting percentages by the revenue
91 difference between the single rate calculation and the calculations pursuant to
92 this subsection and dividing by the respective adjusted current year assessed
93 valuation of each class or subclass to determine the adjustment to the rate to be
94 levied upon each class or subclass of property. The adjustment computed herein
95 shall be multiplied by one hundred, rounded to four decimals in the manner
96 provided in this subsection, and added to the initial rate computed for each class
97 or subclass of property. Notwithstanding any provision of this subsection to the
98 contrary, no revision to the rate of levy for personal property shall cause such
99 levy to increase over the levy for personal property from the prior year.

100 3. (1) Where the taxing authority is a school district, it shall be required
101 to revise the rates of levy to the extent necessary to produce from all taxable
102 property, including state-assessed railroad and utility property, which shall be
103 separately estimated in addition to other data required in complying with section
104 164.011, RSMo, substantially the amount of tax revenue permitted in this section.
105 In the year following tax rate reduction, the tax rate ceiling may be adjusted to
106 offset such district's reduction in the apportionment of state school moneys due
107 to its reduced tax rate. However, in the event any school district, in calculating
108 a tax rate ceiling pursuant to this section, requiring the estimating of effects of
109 state-assessed railroad and utility valuation or loss of state aid, discovers that the
110 estimates used result in receipt of excess revenues, which would have required
111 a lower rate if the actual information had been known, the school district shall
112 reduce the tax rate ceiling in the following year to compensate for the excess
113 receipts, and the recalculated rate shall become the tax rate ceiling for purposes
114 of this section.

115 (2) For any political subdivision which experiences a reduction in the
116 amount of assessed valuation relating to a prior year, due to decisions of the state

117 tax commission or a court pursuant to sections 138.430 to 138.433, RSMo, or due
118 to clerical errors or corrections in the calculation or recordation of any assessed
119 valuation:

120 (a) Such political subdivision may revise the tax rate ceiling for each
121 purpose it levies taxes to compensate for the reduction in assessed value
122 occurring after the political subdivision calculated the tax rate ceiling for the
123 particular subclass of real property or for personal property, in the aggregate, in
124 the prior year. Such revision by the political subdivision shall be made at the
125 time of the next calculation of the tax rate for the particular subclass of real
126 property or for personal property, in the aggregate, after the reduction in
127 assessed valuation has been determined and shall be calculated in a manner that
128 results in the revised tax rate ceiling being the same as it would have been had
129 the corrected or finalized assessment been available at the time of the prior
130 calculation;

131 (b) In addition, for up to three years following the determination of the
132 reduction in assessed valuation as a result of circumstances defined in this
133 subdivision, such political subdivision may levy a tax rate for each purpose it
134 levies taxes above the revised tax rate ceiling provided in paragraph (a) of this
135 subdivision to recoup any revenues it was entitled to receive for the three-year
136 period preceding such determination.

137 4. (1) In order to implement the provisions of this section and section 22
138 of article X of the Constitution of Missouri, the term "improvements" shall apply
139 to both real and personal property. In order to determine the value of new
140 construction and improvements, each county assessor shall maintain a record of
141 real property valuations in such a manner as to identify each year the increase
142 in valuation for each political subdivision in the county as a result of new
143 construction and improvements. The value of new construction and
144 improvements shall include the additional assessed value of all improvements or
145 additions to real property which were begun after and were not part of the prior
146 year's assessment, except that the additional assessed value of all improvements
147 or additions to real property which had been totally or partially exempt from ad
148 valorem taxes pursuant to sections 99.800 to 99.865, RSMo, sections 135.200 to
149 135.255, RSMo, and section 353.110, RSMo, shall be included in the value of new
150 construction and improvements when the property becomes totally or partially
151 subject to assessment and payment of all ad valorem taxes. The aggregate
152 increase in valuation of personal property for the current year over that of the

153 previous year is the equivalent of the new construction and improvements factor
154 for personal property. Notwithstanding any opt-out implemented pursuant to
155 subsection 15 of section 137.115, the assessor shall certify the amount of new
156 construction and improvements and the amount of assessed value on any real
157 property which was assessed by the assessor of a county or city in such previous
158 year but is assessed by the assessor of a county or city in the current year in a
159 different subclass of real property separately for each of the three subclasses of
160 real property for each political subdivision to the county clerk in order that
161 political subdivisions shall have this information for the purpose of calculating
162 tax rates pursuant to this section and section 22, article X, Constitution of
163 Missouri. In addition, the state tax commission shall certify each year to each
164 county clerk the increase in the general price level as measured by the Consumer
165 Price Index for All Urban Consumers for the United States, or its successor
166 publications, as defined and officially reported by the United States Department
167 of Labor, or its successor agency. The state tax commission shall certify the
168 increase in such index on the latest twelve-month basis available on June first
169 of each year over the immediately preceding prior twelve-month period in order
170 that political subdivisions shall have this information available in setting their
171 tax rates according to law and section 22 of article X of the Constitution of
172 Missouri. For purposes of implementing the provisions of this section and section
173 22 of article X of the Missouri Constitution, the term "property" means all taxable
174 property, including state-assessed property.

175 (2) Each political subdivision required to revise rates of levy pursuant to
176 this section or section 22 of article X of the Constitution of Missouri shall
177 calculate each tax rate it is authorized to levy and, in establishing each tax rate,
178 shall consider each provision for tax rate revision provided in this section and
179 section 22 of article X of the Constitution of Missouri, separately and without
180 regard to annual tax rate reductions provided in section 67.505, RSMo, and
181 section 164.013, RSMo. Each political subdivision shall set each tax rate it is
182 authorized to levy using the calculation that produces the lowest tax rate ceiling.
183 It is further the intent of the general assembly, pursuant to the authority of
184 section 10(c) of article X of the Constitution of Missouri, that the provisions of
185 such section be applicable to tax rate revisions mandated pursuant to section 22
186 of article X of the Constitution of Missouri as to reestablishing tax rates as
187 revised in subsequent years, enforcement provisions, and other provisions not in
188 conflict with section 22 of article X of the Constitution of Missouri. Annual tax

189 rate reductions provided in section 67.505, RSMo, and section 164.013, RSMo,
190 shall be applied to the tax rate as established pursuant to this section and section
191 22 of article X of the Constitution of Missouri, unless otherwise provided by law.

192 5. (1) In all political subdivisions, the tax rate ceiling established
193 pursuant to this section shall not be increased unless approved by a vote of the
194 people. Approval of the higher tax rate shall be by at least a majority of votes
195 cast. When a proposed higher tax rate requires approval by more than a simple
196 majority pursuant to any provision of law or the constitution, the tax rate
197 increase must receive approval by at least the majority required.

198 (2) When voters approve an increase in the tax rate, the amount of the
199 increase shall be added to the tax rate ceiling as calculated pursuant to this
200 section to the extent the total rate does not exceed any maximum rate prescribed
201 by law. If a ballot question presents a stated tax rate for approval rather than
202 describing the amount of increase in the question, the stated tax rate approved
203 shall be the current tax rate ceiling. The increased tax rate ceiling as approved
204 may be applied to the total assessed valuation of the political subdivision, **as**
205 **most recently certified by the state tax commission on or before the**
206 **date of the election in which the increase is approved,** at the setting of
207 the next tax rate. **If a ballot question presents a phased-in tax rate**
208 **increase, each increase shall be applied to the total assessed valuation**
209 **of the political subdivision, as most recently certified by the state tax**
210 **commission on or before the date of the election in which such phased-**
211 **in tax rate increase is approved, at the setting of the next tax rate.**

212 (3) The governing body of any political subdivision may levy a tax rate
213 lower than its tax rate ceiling and may, **in a non-reassessment year,** increase
214 that lowered tax rate to a level not exceeding the tax rate ceiling without voter
215 approval **in the manner provided under subdivision (4) of this**
216 **subsection.**

217 (4) **In a year of general reassessment, a governing body whose**
218 **tax rate is lower than its tax rate ceiling shall revise its tax rate**
219 **pursuant to the provisions of subsection 4 of this section as if its tax**
220 **rate was at the tax rate ceiling. In a year following general**
221 **reassessment, if such governing body intends to increase its tax rate,**
222 **the governing body shall conduct a public hearing, and in a public**
223 **meeting it shall adopt an ordinance, resolution, or policy statement**
224 **justifying its action prior to setting and certifying its tax rate.**

225 6. (1) For the purposes of calculating state aid for public schools pursuant
226 to section 163.031, RSMo, each taxing authority which is a school district shall
227 determine its proposed tax rate as a blended rate of the classes or subclasses of
228 property. Such blended rate shall be calculated by first determining the total tax
229 revenue of the property within the jurisdiction of the taxing authority, which
230 amount shall be equal to the sum of the products of multiplying the assessed
231 valuation of each class and subclass of property by the corresponding tax rate for
232 such class or subclass, then dividing the total tax revenue by the total assessed
233 valuation of the same jurisdiction, and then multiplying the resulting quotient
234 by a factor of one hundred. Where the taxing authority is a school district, such
235 blended rate shall also be used by such school district for calculating revenue
236 from state-assessed railroad and utility property as defined in chapter 151, RSMo,
237 and for apportioning the tax rate by purpose.

238 (2) Each taxing authority proposing to levy a tax rate in any year shall
239 notify the clerk of the county commission in the county or counties where the tax
240 rate applies of its tax rate ceiling and its proposed tax rate. Each taxing
241 authority shall express its proposed tax rate in a fraction equal to the nearest
242 one-tenth of a cent, unless its proposed tax rate is in excess of one dollar, then
243 one/one-hundredth of a cent. If a taxing authority shall round to
244 one/one-hundredth of a cent, it shall round up a fraction greater than or equal to
245 five/one-thousandth of one cent to the next higher one/one-hundredth of a cent;
246 if a taxing authority shall round to one-tenth of a cent, it shall round up a
247 fraction greater than or equal to five/one-hundredths of a cent to the next higher
248 one-tenth of a cent. Any taxing authority levying a property tax rate shall
249 provide data, in such form as shall be prescribed by the state auditor by rule,
250 substantiating such tax rate complies with Missouri law. All forms for the
251 calculation of rates pursuant to this section shall be promulgated as a rule and
252 shall not be incorporated by reference. The state auditor shall promulgate rules
253 for any and all forms for the calculation of rates pursuant to this section which
254 do not currently exist in rule form or that have been incorporated by reference.
255 In addition, each taxing authority proposing to levy a tax rate for debt service
256 shall provide data, in such form as shall be prescribed by the state auditor by
257 rule, substantiating the tax rate for debt service complies with Missouri law. A
258 tax rate proposed for annual debt service requirements will be prima facie valid
259 if, after making the payment for which the tax was levied, bonds remain
260 outstanding and the debt fund reserves do not exceed the following year's

261 payments. The county clerk shall keep on file and available for public inspection
262 all such information for a period of three years. The clerk shall, within three
263 days of receipt, forward a copy of the notice of a taxing authority's tax rate ceiling
264 and proposed tax rate and any substantiating data to the state auditor. The state
265 auditor shall, within fifteen days of the date of receipt, examine such information
266 and return to the county clerk his or her findings as to compliance of the tax rate
267 ceiling with this section and as to compliance of any proposed tax rate for debt
268 service with Missouri law. If the state auditor believes that a taxing authority's
269 proposed tax rate does not comply with Missouri law, then the state auditor's
270 findings shall include a recalculated tax rate, and the state auditor may request
271 a taxing authority to submit documentation supporting such taxing authority's
272 proposed tax rate. The county clerk shall immediately forward a copy of the
273 auditor's findings to the taxing authority and shall file a copy of the findings with
274 the information received from the taxing authority. The taxing authority shall
275 have fifteen days from the date of receipt from the county clerk of the state
276 auditor's findings and any request for supporting documentation to accept or
277 reject in writing the rate change certified by the state auditor and to submit all
278 requested information to the state auditor. A copy of the taxing authority's
279 acceptance or rejection and any information submitted to the state auditor shall
280 also be mailed to the county clerk. If a taxing authority rejects a rate change
281 certified by the state auditor and the state auditor does not receive supporting
282 information which justifies the taxing authority's original or any subsequent
283 proposed tax rate, then the state auditor shall refer the perceived violations of
284 such taxing authority to the attorney general's office and the attorney general is
285 authorized to obtain injunctive relief to prevent the taxing authority from levying
286 a violative tax rate.

287 7. No tax rate shall be extended on the tax rolls by the county clerk unless
288 the political subdivision has complied with the foregoing provisions of this
289 section.

290 8. Whenever a taxpayer has cause to believe that a taxing authority has
291 not complied with the provisions of this section, the taxpayer may make a formal
292 complaint with the prosecuting attorney of the county. Where the prosecuting
293 attorney fails to bring an action within ten days of the filing of the complaint, the
294 taxpayer may bring a civil action pursuant to this section and institute an action
295 as representative of a class of all taxpayers within a taxing authority if the class
296 is so numerous that joinder of all members is impracticable, if there are questions

297 of law or fact common to the class, if the claims or defenses of the representative
298 parties are typical of the claims or defenses of the class, and if the representative
299 parties will fairly and adequately protect the interests of the class. In any class
300 action maintained pursuant to this section, the court may direct to the members
301 of the class a notice to be published at least once each week for four consecutive
302 weeks in a newspaper of general circulation published in the county where the
303 civil action is commenced and in other counties within the jurisdiction of a taxing
304 authority. The notice shall advise each member that the court will exclude him
305 or her from the class if he or she so requests by a specified date, that the
306 judgment, whether favorable or not, will include all members who do not request
307 exclusion, and that any member who does not request exclusion may, if he or she
308 desires, enter an appearance. In any class action brought pursuant to this
309 section, the court, in addition to the relief requested, shall assess against the
310 taxing authority found to be in violation of this section the reasonable costs of
311 bringing the action, including reasonable attorney's fees, provided no attorney's
312 fees shall be awarded any attorney or association of attorneys who receive public
313 funds from any source for their services. Any action brought pursuant to this
314 section shall be set for hearing as soon as practicable after the cause is at issue.

315 9. If in any action, including a class action, the court issues an order
316 requiring a taxing authority to revise the tax rates as provided in this section or
317 enjoins a taxing authority from the collection of a tax because of its failure to
318 revise the rate of levy as provided in this section, any taxpayer paying his or her
319 taxes when an improper rate is applied has erroneously paid his or her taxes in
320 part, whether or not the taxes are paid under protest as provided in section
321 139.031, RSMo. The part of the taxes paid erroneously is the difference in the
322 amount produced by the original levy and the amount produced by the revised
323 levy. The township or county collector of taxes or the collector of taxes in any city
324 shall refund the amount of the tax erroneously paid. The taxing authority
325 refusing to revise the rate of levy as provided in this section shall make available
326 to the collector all funds necessary to make refunds pursuant to this subsection.
327 No taxpayer shall receive any interest on any money erroneously paid by him or
328 her pursuant to this subsection. Effective in the 1994 tax year, nothing in this
329 section shall be construed to require a taxing authority to refund any tax
330 erroneously paid prior to or during the third tax year preceding the current tax
331 year.

332 10. A taxing authority, including but not limited to a township, county

333 collector, or collector of taxes, responsible for determining and collecting the
334 amount of residential real property tax levied in its jurisdiction, shall report such
335 amount of tax collected by December thirty-first of each year such property is
336 assessed to the state tax commission. The state tax commission shall compile the
337 tax data by county or taxing jurisdiction and submit a report to the general
338 assembly no later than January thirty-first of the following year.

339 11. Any rule or portion of a rule, as that term is defined in section
340 536.010, RSMo, that is created under the authority delegated in this section shall
341 become effective only if it complies with and is subject to all of the provisions of
342 chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and
343 chapter 536, RSMo, are nonseverable and if any of the powers vested with the
344 general assembly pursuant to chapter 536, RSMo, to review, to delay the effective
345 date, or to disapprove and annul a rule are subsequently held unconstitutional,
346 then the grant of rulemaking authority and any rule proposed or adopted after
347 August 28, 2004, shall be invalid and void.

137.180. Whenever any assessor shall increase the valuation of any real
2 property he shall forthwith notify the record owner **on or before February**
3 **fifteenth** of such increase **and the estimated tax liability likely to result**
4 **from such an increase**, either in person, or by mail directed to the last known
5 address; every such increase in assessed valuation made by the assessor shall be
6 subject to review by the county board of equalization whereat the landowner shall
7 be entitled to be heard, and the notice to the landowner shall so state.

137.243. **To determine the "estimated tax liability" required by**
2 **sections 137.180, 137.355, and 137.490, the assessor, on or before**
3 **January tenth of each tax year, shall provide the county clerk with the**
4 **estimated assessment book which for this purpose shall contain the**
5 **expected real estate values for that year and the prior year's personal**
6 **property values. The county clerk shall make out an abstract of the**
7 **estimated assessment book showing the aggregate amounts of different**
8 **kinds of real, personal, and other tangible property and the valuations**
9 **of each for each political subdivision in the county entitled to levy ad**
10 **valorem taxes on property except for municipalities maintaining their**
11 **own tax or assessment books. The governing body of each political**
12 **subdivision or a person designated by the governing body shall use**
13 **such information to informally estimate a non-binding tax levy for that**
14 **year and return such estimated tax levy to the county clerk. The**

15 **county clerk shall then calculate and provide to the county assessor the**
16 **estimated tax liability for each real estate parcel for which the assessor**
17 **intends to mail a notice of increase pursuant to sections 137.180 and**
18 **137.355.**

137.245. 1. The assessor, except in St. Louis City, shall make out and
2 return to the county governing body, on or before the thirty-first day of May in
3 every year, **provided that the assessor in any county with a charter form**
4 **of government and with more than one million inhabitants shall do so**
5 **by the first Monday in May**, the assessor's book, verified by an affidavit
6 annexed thereto, in the following words:

7 "..... being duly sworn, makes oath and says that such
8 person has made diligent efforts to ascertain all the taxable property being or
9 situate, on the first day of January last past, in the county of which such person
10 is assessor; that, so far as such person has been able to ascertain the same, it is
11 correctly set forth in the foregoing book, in the manner and the value thereof
12 stated therein, according to the mode required by law".

13 2. The clerk of the county governing body shall immediately make out an
14 abstract of the assessment book, showing aggregate footings of the different
15 columns, so as to set forth the aggregate amounts of the different kinds of real
16 and tangible personal property and the valuation thereof, and forward the
17 abstract to the state tax commission. Failure of the clerk to make out and
18 forward the abstract to the state tax commission on or before the twentieth day
19 of June is a misdemeanor.

20 3. The clerk of the county governing body in all counties, and the assessor
21 in St. Louis City, shall make out an abstract of the assessment book showing the
22 aggregate amounts of different kinds of real, personal and other tangible property
23 and the valuations of each for each political subdivision in the county entitled to
24 levy ad valorem taxes on property except for municipalities maintaining their own
25 tax or assessment books. The clerk of each county, and the assessor in St. Louis
26 City, shall forward a copy of the aggregate valuation listed in the tax book for
27 each political subdivision, except counties and municipalities maintaining their
28 own tax or assessment books, to the governing body of the subdivision by the first
29 day of July of each year. In any county which contains a city with a population
30 of one hundred thousand or more inhabitants which is located within a county of
31 the first classification that adjoins no other county of the first classification, the
32 clerk of the county shall provide the final revised assessed valuation listed in the

33 tax book for each school district within the county to each such district on or
34 before the fifteenth day of August of each year. The clerk of any county of the
35 first classification with a charter form of government and with more than six
36 hundred thousand but less than seven hundred thousand inhabitants shall
37 forward a copy of the aggregate valuation listed in the tax book for school
38 districts within the county to each such district by the fifteenth day of June of
39 each year.

137.335. The state tax commission shall design the necessary assessment
2 blanks, which shall contain a classification of all tangible personal property, and
3 the blanks shall be furnished to the county assessor sixty days before January
4 first of each year. After receiving the form of the assessment blanks, the assessor
5 or his deputies shall, between the first day of January and the fifteenth day of
6 May of each year, unless the time be extended for good cause shown by order of
7 the county commission for a period expiring not later than May thirty-first, make
8 and complete a list of all real and tangible personal property taxable by the
9 county and assess the property at its true value in money, **except that in any**
10 **county with a charter form of government and with more than one**
11 **million inhabitants, the assessor or his or her deputies shall do so by**
12 **May first and no extension shall be granted.**

137.355. If an assessor increases the valuation of any tangible personal
2 property as estimated in the itemized list furnished to the assessor, and if an
3 assessor increases the valuation of any real property, [he] **the assessor, on or**
4 **before February fifteenth**, shall [forthwith] notify the record owner of the
5 increase **and, for any increase in real property, also notify the record**
6 **owner of the estimated tax liability likely to result from such an**
7 **increase** either in person or by mail directed to the last known address, and if
8 the address of the owner is unknown notice shall be given by publication in two
9 newspapers published in the county.

137.490. The assessor, or his deputies under his direction, shall assess all
2 the taxable real property within the city and all tangible personal property
3 taxable by the city under the laws of this state in the manner provided in sections
4 137.485 to 137.550 and as otherwise provided by law, and for that purpose the
5 assessor may divide and assign the work or any of it among them. They shall
6 commence their assessment on the first day of January in each year and complete
7 the assessment, and the deputies make their final reports thereof to the assessor,
8 on or before the first day of April next following. The assessor shall see that the

9 assessment is made uniform and equal throughout the city. If the assessor
10 proposes to increase any assessment of real property, he shall give notice of the
11 fact **and of the estimated tax liability likely to result from such an**
12 **increase** to the person owning the property affected, his agent or representative,
13 by personal notice, or by mail directed to the last known address.

137.720. 1. A percentage of all ad valorem property tax collections
2 allocable to each taxing authority within the county and the county shall be
3 deducted from the collections of taxes each year and shall be deposited into the
4 assessment fund of the county as required pursuant to section 137.750. The
5 percentage shall be one-half of one percent for all counties of the first and second
6 classification and cities not within a county and one percent for counties of the
7 third and fourth classification.

8 2. For counties of the first classification, counties with a charter form of
9 government, and any city not within a county, an additional one-eighth of one
10 percent of all ad valorem property tax collections shall be deducted from the
11 collections of taxes each year and shall be deposited into the assessment fund of
12 the county as required pursuant to section 137.750, and for counties of the
13 second, third, and fourth classification, an additional one-quarter of one percent
14 of all ad valorem property tax collections shall be deducted from the collections
15 of taxes each year and shall be deposited into the assessment fund of the county
16 as required pursuant to section 137.750, provided that such additional amounts
17 shall not exceed one hundred thousand dollars in any year for any county of the
18 first classification and any county with a charter form of government and fifty
19 thousand dollars in any year for any county of the second, third, or fourth
20 classification.

21 3. The county shall bill any taxing authority collecting its own taxes. The
22 county may also provide additional moneys for the fund. To be eligible for state
23 cost-share funds provided pursuant to section 137.750, every county shall provide
24 from the county general revenue fund an amount equal to an average of the three
25 most recent years of the amount provided from general revenue to the assessment
26 fund; provided, however, that capital expenditures and equipment expenses
27 identified in a memorandum of understanding signed by the county's governing
28 body and the county assessor prior to transfer of county general revenue funds
29 to the assessment fund shall be deducted from a year's contribution before
30 computing the three-year average, except that a lesser amount shall be acceptable
31 if unanimously agreed upon by the county assessor, the county governing body,

32 and the state tax commission. The county shall deposit the county general
33 revenue funds in the assessment fund as agreed to in its original or amended
34 maintenance plan, state reimbursement funds shall be withheld until the amount
35 due is properly deposited in such fund.

36 4. [Four years following the effective date, the state tax commission shall
37 conduct a study to determine the impact of increased fees on assessed valuation.

38 5.] Any [increase to the portion of] property tax collections deposited into
39 the county assessment funds provided for in subsection 2 of this section shall be
40 [disallowed] **forfeited and returned proportionately by the county to the**
41 **political subdivisions** in any year in which the state tax commission [certifies
42 an equivalent sales ratio for the county of less than or equal to thirty-one and
43 two-thirds percent pursuant to the provisions of section 138.395, RSMo] **notifies**
44 **the county that state assessment reimbursement funds have been**
45 **withheld from the county for three consecutive quarters due to non-**
46 **compliance by the assessor or county commission with the county's**
47 **assessment maintenance plan. If such funds for the year were spent**
48 **prior to the notification by the state tax commission, the county shall**
49 **take an equivalent amount from the subsequent year's collections**
50 **provided for in subsection 2 of this section and return it**
51 **proportionately to the political subdivisions.**

52 [6.] 5. The provisions of subsections 2[, 4, and 5] **and 4** of this section
53 shall expire on December 31, [2009] **2015**.

138.090. 1. Except as provided in subsection 2 of this section, the county
2 board of equalization in first class counties shall meet on the first Monday in
3 June of each year, **except in any county with a charter form of**
4 **government and with more than one million inhabitants, where the**
5 **board of equalization shall meet on the second Monday in May.**

6 2. Upon a finding by the board that it is necessary in order to fairly hear
7 all cases arising from a general reassessment, the board may begin meeting after
8 May thirty-first in any applicable year to timely consider any appeal or complaint
9 resulting from an evaluation made during a general reassessment of all taxable
10 real property and possessory interests in the county. There shall be no
11 presumption that the assessor's valuation is correct.

138.430. 1. Every owner of real property or tangible personal property
2 shall have the right to appeal from the local boards of equalization to the state
3 tax commission under rules prescribed by the state tax commission, within the

4 time prescribed in this chapter or thirty days following the final action of the
5 local board of equalization, whichever date later occurs, concerning all questions
6 and disputes involving the assessment against such property, the correct
7 valuation to be placed on such property, the method or formula used in
8 determining the valuation of such property, or the assignment of a discriminatory
9 assessment to such property. The commission shall investigate all such appeals
10 and shall correct any assessment or valuation which is shown to be unlawful,
11 unfair, improper, arbitrary or capricious. Any person aggrieved by the decision
12 of the commission may seek review as provided in chapter 536, RSMo.

13 2. In order to investigate such appeals, the commission may inquire of the
14 owner of the property or of any other party to the appeal regarding any matter
15 or issue relevant to the valuation, subclassification or assessment of the
16 property. The commission may make its decision regarding the assessment or
17 valuation of the property based solely upon its inquiry and any evidence
18 presented by the parties to the commission, or based solely upon evidence
19 presented by the parties to the commission.

20 3. Every owner of real property or tangible personal property shall have
21 the right to appeal to the circuit court of the county in which the collector
22 maintains his office, from the decision of the local board of equalization not later
23 than thirty days after the final decision of the board of equalization concerning
24 all questions and disputes involving the exclusion or exemption of such property
25 from assessment or from the tax rolls pursuant to the Constitution of the United
26 States or the constitution or laws of this state, or of the taxable situs of such
27 property. The appeal shall be as a trial de novo in the manner prescribed for
28 nonjury civil proceedings. **Upon the timely filing of the appeal, the clerk
29 of the circuit court shall send to the county collector to whom the taxes
30 on the property involved would be due a notice that an appeal seeking
31 exemption has been filed, which notice shall contain the name of the
32 taxpayer, the case number assigned by the court, and the parcel or
33 locator number of the property being appealed. The notice to the
34 collector shall state that the taxes in dispute are to be impounded in
35 accordance with subsection 2 of section 139.031, RSMo.**

36 4. Upon the timely filing of an appeal as provided in this section, the state
37 tax commission [or the clerk of the circuit court, as applicable,] shall send to the
38 county collector to whom the taxes on the property involved would be due, a
39 notice that an appeal has been filed, which notice shall contain the name [and

40 address] of the taxpayer filing the appeal, **the appeal number assigned by**
41 **the commission, the parcel or locator number of the property being**
42 **appealed, the assessed value by the board of equalization and the**
43 **assessed value proposed by the taxpayer, if such values have been**
44 **provided to the commission when the appeal is filed. The notice to the**
45 **collector shall state that the taxes in dispute are to be impounded in**
46 **accordance with subsection 2 of section 139.031, RSMo. Notice to the**
47 **collector of an appeal filed in an odd numbered year shall also serve as**
48 **notice to the collector to impound taxes for the following even**
49 **numbered year if no decision has been rendered in the appeal.**

50 5. If the circuit court, after review of the appeal, finds that the appeal is
51 not a proper subject for the appeal to the circuit court as provided in subsection
52 3 of this section, it shall transfer the appeal to the state tax commission for
53 consideration.

54 6. If an assessor classifies real property under a classification that is
55 contrary to or in conflict with a determination by the state tax commission or a
56 court of competent jurisdiction of said property, the taxpayer shall be awarded
57 costs of appeal and reasonable attorney's fees on a challenge of the assessor's
58 determination.

139.031. 1. Any taxpayer may protest all or any part of any current taxes
2 assessed against the taxpayer, except taxes collected by the director of revenue
3 of Missouri. Any such taxpayer desiring to pay any current taxes under protest
4 shall, at the time of paying such taxes, file with the collector a written statement
5 setting forth the grounds on which the protest is based. The statement shall
6 include the true value in money claimed by the taxpayer if disputed.

7 2. **A taxpayer who has filed an appeal from a local board of**
8 **equalization under section 138.430, RSMo, to the state tax commission**
9 **or the circuit court is not required to file a statement of protest as set**
10 **forth in subsection 1 of this section.** Upon receiving payment of current
11 taxes under protest pursuant to subsection 1 of this section or upon receiving
12 notice of an appeal **from the state tax commission or the circuit court**
13 pursuant to section 138.430, RSMo, the collector shall disburse to the proper
14 official all portions of taxes not **protested or not** disputed by the taxpayer and
15 shall impound in a separate fund all portions of such taxes which are **protested**
16 **or** in dispute. [Except as provided in subsection 3 of this section,] Every
17 taxpayer protesting the payment of current taxes **under subsection 1 of this**

18 **section** shall, within ninety days after filing his protest, commence an action
19 against the collector by filing a petition for the recovery of the amount protested
20 in the circuit court of the county in which the collector maintains his office. If
21 any taxpayer so protesting his taxes **under subsection 1 of this section** shall
22 fail to commence an action in the circuit court for the recovery of the taxes
23 protested within the time prescribed in this subsection, such protest shall become
24 null and void and of no effect, and the collector shall then disburse to the proper
25 official the taxes impounded, and any interest earned thereon, as provided above
26 in this subsection.

27 3. No action against the collector shall be commenced by any taxpayer
28 who has, for the current tax year in issue, filed with the state tax commission **or**
29 **the circuit court** a timely and proper appeal of the [protested taxes. Such
30 taxpayer shall notify the collector of the appeal in the written statement required
31 by subsection 1 of this section] **assessment of the taxpayer's property**. The
32 **portion of taxes [so protested] in dispute from an appeal of an assessment**
33 shall be impounded in a separate fund and the commission **or the circuit court**
34 may order all or any part of such taxes refunded to the taxpayer, or may
35 authorize the collector to release and disburse all or any part of such taxes in its
36 decision and order issued pursuant to chapter 138, RSMo.

37 4. Trial of the action, **for recovery of taxes protested under**
38 **subsection 1 of this section**, in the circuit court shall be in the manner
39 prescribed for nonjury civil proceedings, and, after determination of the issues,
40 the court shall make such orders as may be just and equitable to refund to the
41 taxpayer all or any part of the current taxes paid under protest, together with
42 any interest earned thereon, or to authorize the collector to release and disburse
43 all or any part of the impounded taxes, and any interest earned thereon, to the
44 appropriate officials of the taxing authorities. Either party to the proceedings
45 may appeal the determination of the circuit court.

46 5. All the county collectors of taxes, and the collector of taxes in any city
47 not within a county, shall, upon written application of a taxpayer, refund or credit
48 against the taxpayer's tax liability in the following taxable year and subsequent
49 consecutive taxable years until the taxpayer has received credit in full for any
50 real or personal property tax mistakenly or erroneously levied against the
51 taxpayer and collected in whole or in part by the collector. Such application shall
52 be filed within three years after the tax is mistakenly or erroneously paid. The
53 governing body, or other appropriate body or official of the county or city not

54 within a county, shall make available to the collector funds necessary to make
55 refunds under this subsection by issuing warrants upon the fund to which the
56 mistaken or erroneous payment has been credited, or otherwise.

57 6. No taxpayer shall receive any interest on any money paid in by the
58 taxpayer erroneously.

59 7. All protested taxes **impounded under protest under subsection**
60 **1 of this section and all disputed taxes impounded under notice as**
61 **required by section 138.430, RSMo**, shall be invested by the collector in the
62 same manner as assets specified in section 30.260, RSMo, for investment of state
63 moneys. A taxpayer who is entitled to a refund of protested **or disputed** taxes
64 shall also receive the interest earned on the investment thereof. If the collector
65 is ordered to release and disburse all or part of the taxes paid under protest **or**
66 **dispute** to the proper official, such taxes shall be disbursed along with the
67 proportional amount of interest earned on the investment of the taxes due the
68 particular taxing authority.

69 8. On or before March first next following the delinquent date of taxes
70 paid under protest, the county collector shall notify any taxing authority of the
71 taxes paid under protest **and disputed taxes** which would be received by such
72 taxing authority if the funds were not the subject of a protest **or dispute**. Any
73 taxing authority may apply to the circuit court of the county or city not within a
74 county in which a collector has impounded protested **or disputed** taxes under
75 this section and, upon a satisfactory showing that such taxing authority would
76 receive such impounded tax funds if they were not the subject of a protest **or**
77 **dispute** and that such taxing authority has the financial ability and legal
78 capacity to repay such impounded tax funds in the event a decision ordering a
79 refund to the taxpayer is subsequently made, the circuit court shall order,
80 pendente lite, the disbursement of all or any part of such impounded tax funds to
81 such taxing authority. The circuit court issuing an order under this subsection
82 shall retain jurisdiction of such matter for further proceedings, if any, to compel
83 restitution of such tax funds to the taxpayer. In the event that any protested **or**
84 **disputed** tax funds refunded to a taxpayer were disbursed to a taxing authority
85 under this subsection instead of being held and invested by the collector under
86 subsection 7 of this section, such taxing authority shall pay the taxpayer entitled
87 to the refund of such protested **or disputed** taxes the same amount of interest,
88 as determined by the circuit court having jurisdiction in the matter, such
89 protested **or disputed** taxes would have earned if they had been held and

90 invested by the collector.

91 9. No appeal filed shall stay any order of refund, but the decision filed by
92 any court of last review modifying the circuit court's or state tax commission's
93 determination pertaining to the amount of refund shall be binding on the parties,
94 and the decision rendered shall be complied with by the party affected by any
95 modification within ninety days of the date of such decision. No taxpayer shall
96 receive any interest on any additional award of refund, and the collector shall not
97 receive any interest on any ordered return of refund in whole or in part.

 [138.395. The state tax commission shall notify each school
2 district of the equivalent sales ratio for the previous year adopted
3 for determining the equalized assessed valuation of the property
4 and the equalized operating levy of the school district for
5 distributions of school foundation formula funds at least thirty
6 days prior to the certification of such ratio to the department of
7 elementary and secondary education, and shall provide the school
8 district an opportunity for a meeting with the commission, or a
9 duly authorized agent thereof, on such ratio prior to such
10 certification. Prior to January 1, 1997, in certifying said ratios to
11 the department of elementary and secondary education, the
12 commission shall certify all ratios at thirty-three and one-third
13 percent. On and after January 1, 1997, in certifying such ratios to
14 the department of elementary and secondary education, the
15 commission shall certify all ratios higher than thirty-one and
16 two-thirds percent at thirty-three and one-third percent. On and
17 after January 1, 1998, if the state tax commission, after performing
18 the computation of equivalent sales ratio for the county and
19 recomputing such computation to ensure accuracy, finds that such
20 equivalent sales ratio for the county is less than or equal to
21 thirty-one and two-thirds percent, the state tax commission shall
22 reduce the county's reimbursement by fifteen percent the following
23 year if it is not corrected by subsequent action of the state tax
24 commission.]

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