

SECOND REGULAR SESSION

SENATE BILL NO. 992

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR LOUDON.

Read 1st time January 22, 2008, and ordered printed.

TERRY L. SPIELER, Secretary.

4185S.02I

AN ACT

To repeal section 137.115, RSMo, and to enact in lieu thereof one new section relating to assessment of real property, with a contingent effective date.

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

Section A. Section 137.115, RSMo, is repealed and one new section
2 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
2 or the assessor's deputies in all counties of this state including the city of St.
3 Louis shall annually make a list of all real and tangible personal property taxable
4 in the assessor's city, county, town or district. Except as otherwise provided in
5 subsection 3 of this section and section 137.078, the assessor shall annually
6 assess all personal property at thirty-three and one-third percent of its true value
7 in money as of January first of each calendar year. The assessor shall annually
8 assess all real property, including any new construction and improvements to real
9 property, and possessory interests in real property at the percent of its true value
10 in money set in subsection 5 of this section, **except that in the case of a**
11 **reassessment of real property, not subject to a transfer of ownership in**
12 **the year of reassessment, which meets the definition of residential real**
13 **property provided under section 4(b) of article X of the Missouri**
14 **Constitution, such assessed value shall not result in an increase in**
15 **assessed value greater than the rate of inflation according to the**
16 **Consumer Price Index when compared to the prior year assessment to**
17 **the substantially identical real property held by the identical owner or**
18 **owners.** The assessor shall annually assess all real property in the following
19 manner: new assessed values shall be determined as of January first of each
20 odd-numbered year and shall be entered in the assessor's books; those same

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

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

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

57 "comparable" means that:

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

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

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

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

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

72 (2) Livestock, twelve percent;

73 (3) Farm machinery, twelve percent;

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

79 (5) Poultry, twelve percent; and

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

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

90 5. All subclasses of real property, as such subclasses are established in
91 section 4(b) of article X of the Missouri Constitution and defined in section
92 137.016, shall be assessed at the following percentages of true value:

- 93 (1) For real property in subclass (1), nineteen percent;
94 (2) For real property in subclass (2), twelve percent; and
95 (3) For real property in subclass (3), thirty-two percent.

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

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

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

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

129 in money of the motor vehicle.

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

134 11. If a physical inspection is required, pursuant to subsection 10 of this
135 section, the assessor shall notify the property owner of that fact in writing and
136 shall provide the owner clear written notice of the owner's rights relating to the
137 physical inspection. If a physical inspection is required, the property owner may
138 request that an interior inspection be performed during the physical
139 inspection. The owner shall have no less than thirty days to notify the assessor
140 of a request for an interior physical inspection.

141 12. A physical inspection, as required by subsection 10 of this section,
142 shall include, but not be limited to, an on-site personal observation and review
143 of all exterior portions of the land and any buildings and improvements to which
144 the inspector has or may reasonably and lawfully gain external access, and shall
145 include an observation and review of the interior of any buildings or
146 improvements on the property upon the timely request of the owner pursuant to
147 subsection 11 of this section. Mere observation of the property via a "drive-by
148 inspection" or the like shall not be considered sufficient to constitute a physical
149 inspection as required by this section.

150 13. The provisions of subsections 11 and 12 of this section shall only apply
151 in any county with a charter form of government with more than one million
152 inhabitants.

153 14. A county or city collector may accept credit cards as proper form of
154 payment of outstanding property tax or license due. No county or city collector
155 may charge surcharge for payment by credit card which exceeds the fee or
156 surcharge charged by the credit card bank, processor, or issuer for its service. A
157 county or city collector may accept payment by electronic transfers of funds in
158 payment of any tax or license and charge the person making such payment a fee
159 equal to the fee charged the county by the bank, processor, or issuer of such
160 electronic payment.

161 15. Any county or city not within a county in this state may, by an
162 affirmative vote of the governing body of such county, opt out of the provisions of
163 this section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by
164 house bill no. 1150 of the ninety-first general assembly, second regular session

165 and section 137.073 as modified by this act, for the next year of the general
166 reassessment, prior to January first of any year. No county or city not within a
167 county shall exercise this opt-out provision after implementing the provisions of
168 this section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by
169 house bill no. 1150 of the ninety-first general assembly, second regular session
170 and section 137.073 as modified by this act, in a year of general
171 reassessment. For the purposes of applying the provisions of this subsection, a
172 political subdivision contained within two or more counties where at least one of
173 such counties has opted out and at least one of such counties has not opted out
174 shall calculate a single tax rate as in effect prior to the enactment of house bill
175 no. 1150 of the ninety-first general assembly, second regular session. A governing
176 body of a city not within a county or a county that has opted out under the
177 provisions of this subsection may choose to implement the provisions of this
178 section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by house
179 bill no. 1150 of the ninety-first general assembly, second regular session, and
180 section 137.073 as modified by this act, for the next year of general reassessment,
181 by an affirmative vote of the governing body prior to December thirty-first of any
182 year.

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

 Section B. This act shall become effective only upon passage of a
2 constitutional amendment limiting increases in assessed value of residential real
3 property, due to reassessment, until a transfer of ownership occurs.

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