

FIRST REGULAR SESSION

SENATE BILL NO. 501

95TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR CUNNINGHAM.

Read 1st time February 25, 2009, and ordered printed.

TERRY L. SPIELER, Secretary.

2111S.011

AN ACT

To repeal sections 137.073, 137.076, 137.115, and 138.380, RSMo, and to enact in lieu thereof five new sections relating to property taxation, with a contingent effective date.

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

Section A. Sections 137.073, 137.076, 137.115, and 138.380, RSMo, are
2 repealed and five new sections enacted in lieu thereof, to be known as sections
3 137.073, 137.076, 137.115, 137.123, and 138.380, to read as follows:

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
14 school district may levy the operating levy for school purposes required for the
15 current year pursuant to subsection 2 of section 163.021, RSMo, less all
16 adjustments required pursuant to article X, section 22 of the Missouri
17 Constitution, if such tax rate does not exceed the highest tax rate in effect

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

18 subsequent to the 1980 tax year]. This is the maximum tax rate that may be
19 levied, unless a higher tax rate ceiling is approved by voters of the political
20 subdivision as provided in this 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 most recent voter-approved rate. Such
58 tax revenue shall not include any receipts from ad valorem levies on any real
59 property which was assessed by the assessor of a county or city in such previous
60 year but is assessed by the assessor of a county or city in the current year in a
61 different subclass of real property. Where the taxing authority is a school district
62 for the purposes of revising the applicable rates of levy for each subclass of real
63 property, the tax revenues from state-assessed railroad and utility property shall
64 be apportioned and attributed to each subclass of real property based on the
65 percentage of the total assessed valuation of the county that each subclass of real
66 property represents in the current taxable year. As provided in section 22 of
67 article X of the constitution, a political subdivision may also revise each levy to
68 allow for inflationary assessment growth occurring within the political
69 subdivision. The inflationary growth factor for any such subclass of real property
70 or personal property shall be limited to the actual assessment growth in such
71 subclass or class, exclusive of new construction and improvements, and exclusive
72 of the assessed value on any real property which was assessed by the assessor of
73 a county or city in the current year in a different subclass of real property, but
74 not to exceed the consumer price index or five percent, whichever is
75 lower. Should the tax revenue of a political subdivision from the various tax
76 rates determined in this subsection be different than the tax revenue that would
77 have been determined from a single tax rate as calculated pursuant to the method
78 of calculation in this subsection prior to January 1, 2003, then the political
79 subdivision shall revise the tax rates of those subclasses of real property,
80 individually, and/or personal property, in the aggregate, in which there is a tax
81 rate reduction, pursuant to the provisions of this subsection. Such revision shall
82 yield an amount equal to such difference and shall be apportioned among such
83 subclasses of real property, individually, and/or personal property, in the
84 aggregate, based on the relative assessed valuation of the class or subclasses of
85 property experiencing a tax rate reduction. Such revision in the tax rates of each
86 class or subclass shall be made by computing the percentage of current year
87 adjusted assessed valuation of each class or subclass with a tax rate reduction to
88 the total current year adjusted assessed valuation of the class or subclasses with
89 a tax rate reduction, multiplying the resulting percentages by the revenue

90 difference between the single rate calculation and the calculations pursuant to
91 this subsection and dividing by the respective adjusted current year assessed
92 valuation of each class or subclass to determine the adjustment to the rate to be
93 levied upon each class or subclass of property. The adjustment computed herein
94 shall be multiplied by one hundred, rounded to four decimals in the manner
95 provided in this subsection, and added to the initial rate computed for each class
96 or subclass of property. Notwithstanding any provision of this subsection to the
97 contrary, no revision to the rate of levy for personal property shall cause such
98 levy to increase over the levy for personal property from the prior year.

99 3. (1) Where the taxing authority is a school district, it shall be required
100 to revise the rates of levy to the extent necessary to produce from all taxable
101 property, including state-assessed railroad and utility property, which shall be
102 separately estimated in addition to other data required in complying with section
103 164.011, RSMo, substantially the amount of tax revenue permitted in this section.
104 In the year following tax rate reduction, the tax rate ceiling may be adjusted to
105 offset such district's reduction in the apportionment of state school moneys due
106 to its reduced tax rate. However, in the event any school district, in calculating
107 a tax rate ceiling pursuant to this section, requiring the estimating of effects of
108 state-assessed railroad and utility valuation or loss of state aid, discovers that the
109 estimates used result in receipt of excess revenues, which would have required
110 a lower rate if the actual information had been known, the school district shall
111 reduce the tax rate ceiling in the following year to compensate for the excess
112 receipts, and the recalculated rate shall become the tax rate ceiling for purposes
113 of this section.

114 (2) For any political subdivision which experiences a reduction in the
115 amount of assessed valuation relating to a prior year, due to decisions of the state
116 tax commission or a court pursuant to sections 138.430 to 138.433, RSMo, or due
117 to clerical errors or corrections in the calculation or recordation of any assessed
118 valuation:

119 (a) Such political subdivision may revise the tax rate ceiling for each
120 purpose it levies taxes to compensate for the reduction in assessed value
121 occurring after the political subdivision calculated the tax rate ceiling for the
122 particular subclass of real property or for personal property, in the aggregate, in
123 a prior year. Such revision by the political subdivision shall be made at the time
124 of the next calculation of the tax rate for the particular subclass of real property
125 or for personal property, in the aggregate, after the reduction in assessed

126 valuation has been determined and shall be calculated in a manner that results
127 in the revised tax rate ceiling being the same as it would have been had the
128 corrected or finalized assessment been available at the time of the prior
129 calculation;

130 (b) In addition, for up to three years following the determination of the
131 reduction in assessed valuation as a result of circumstances defined in this
132 subdivision, such political subdivision may levy a tax rate for each purpose it
133 levies taxes above the revised tax rate ceiling provided in paragraph (a) of this
134 subdivision to recoup any revenues it was entitled to receive had the corrected or
135 finalized assessment been available at the time of the prior calculation.

136 4. (1) In order to implement the provisions of this section and section 22
137 of article X of the Constitution of Missouri, the term "improvements" shall apply
138 to both real and personal property. In order to determine the value of new
139 construction and improvements, each county assessor shall maintain a record of
140 real property valuations in such a manner as to identify each year the increase
141 in valuation for each political subdivision in the county as a result of new
142 construction and improvements. The value of new construction and
143 improvements shall include the additional assessed value of all improvements or
144 additions to real property which were begun after and were not part of the prior
145 year's assessment, except that the additional assessed value of all improvements
146 or additions to real property which had been totally or partially exempt from ad
147 valorem taxes pursuant to sections 99.800 to 99.865, RSMo, sections 135.200 to
148 135.255, RSMo, and section 353.110, RSMo, shall be included in the value of new
149 construction and improvements when the property becomes totally or partially
150 subject to assessment and payment of all ad valorem taxes. The aggregate
151 increase in valuation of personal property for the current year over that of the
152 previous year is the equivalent of the new construction and improvements factor
153 for personal property. [Notwithstanding any opt-out implemented pursuant to
154 subsection 15 of section 137.115,] The assessor shall certify the amount of new
155 construction and improvements and the amount of assessed value on any real
156 property which was assessed by the assessor of a county or city in such previous
157 year but is assessed by the assessor of a county or city in the current year in a
158 different subclass of real property separately for each of the three subclasses of
159 real property for each political subdivision to the county clerk in order that
160 political subdivisions shall have this information for the purpose of calculating
161 tax rates pursuant to this section and section 22, article X, Constitution of

162 Missouri. In addition, the state tax commission shall certify each year to each
163 county clerk the increase in the general price level as measured by the Consumer
164 Price Index for All Urban Consumers for the United States, or its successor
165 publications, as defined and officially reported by the United States Department
166 of Labor, or its successor agency. The state tax commission shall certify the
167 increase in such index on the latest twelve-month basis available on February
168 first of each year over the immediately preceding prior twelve-month period in
169 order that political subdivisions shall have this information available in setting
170 their tax rates according to law and section 22 of article X of the Constitution of
171 Missouri. For purposes of implementing the provisions of this section and section
172 22 of article X of the Missouri Constitution, the term "property" means all taxable
173 property, including state-assessed property.

174 (2) Each political subdivision required to revise rates of levy pursuant to
175 this section or section 22 of article X of the Constitution of Missouri shall
176 calculate each tax rate it is authorized to levy and, in establishing each tax rate,
177 shall consider each provision for tax rate revision provided in this section and
178 section 22 of article X of the Constitution of Missouri, separately and without
179 regard to annual tax rate reductions provided in section 67.505, RSMo, and
180 section 164.013, RSMo. Each political subdivision shall set each tax rate it is
181 authorized to levy using the calculation that produces the lowest tax rate ceiling.
182 It is further the intent of the general assembly, pursuant to the authority of
183 section 10(c) of article X of the Constitution of Missouri, that the provisions of
184 such section be applicable to tax rate revisions mandated pursuant to section 22
185 of article X of the Constitution of Missouri as to reestablishing tax rates as
186 revised in subsequent years, enforcement provisions, and other provisions not in
187 conflict with section 22 of article X of the Constitution of Missouri. Annual tax
188 rate reductions provided in section 67.505, RSMo, and section 164.013, RSMo,
189 shall be applied to the tax rate as established pursuant to this section and section
190 22 of article X of the Constitution of Missouri, unless otherwise provided by law.

191 5. (1) In all political subdivisions, the tax rate ceiling established
192 pursuant to this section shall not be increased unless approved by a vote of the
193 people. Approval of the higher tax rate shall be by at least a majority of votes
194 cast. When a proposed higher tax rate requires approval by more than a simple
195 majority pursuant to any provision of law or the constitution, the tax rate
196 increase must receive approval by at least the majority required.

197 (2) When voters approve an increase in the tax rate, the amount of the

198 increase shall be added to the tax rate ceiling as calculated pursuant to this
199 section to the extent the total rate does not exceed any maximum rate prescribed
200 by law. If a ballot question presents a stated tax rate for approval rather than
201 describing the amount of increase in the question, the stated tax rate approved
202 shall be adjusted as provided in this section and, so adjusted, shall be the current
203 tax rate ceiling. The increased tax rate ceiling as approved shall be adjusted
204 such that when applied to the current total assessed valuation of the political
205 subdivision, excluding new construction and improvements since the date of the
206 election approving such increase, the revenue derived from the adjusted tax rate
207 ceiling is equal to the sum of: the amount of revenue which would have been
208 derived by applying the voter-approved increased tax rate ceiling to total assessed
209 valuation of the political subdivision, as most recently certified by the city or
210 county clerk on or before the date of the election in which such increase is
211 approved, increased by the percentage increase in the consumer price index, as
212 provided by law. Such adjusted tax rate ceiling may be applied to the total
213 assessed valuation of the political subdivision at the setting of the next tax rate.
214 If a ballot question presents a phased-in tax rate increase, upon voter approval,
215 each tax rate increase shall be adjusted in the manner prescribed in this section
216 to yield the sum of: the amount of revenue that would be derived by applying
217 such voter-approved increased rate to the total assessed valuation, as most
218 recently certified by the city or county clerk on or before the date of the election
219 in which such increase was approved, increased by the percentage increase in the
220 consumer price index, as provided by law, from the date of the election to the time
221 of such increase and, so adjusted, shall be the current tax rate ceiling.

222 (3) The governing body of any political subdivision may levy a tax rate
223 lower than its tax rate ceiling and may, in a nonreassessment year, increase that
224 lowered tax rate to a level not exceeding the tax rate ceiling without voter
225 approval in the manner provided under subdivision (4) of this
226 subsection. Nothing in this section shall be construed as prohibiting a political
227 subdivision from voluntarily levying a tax rate lower than that which is required
228 under the provisions of this section or from seeking voter approval of a reduction
229 to such political subdivision's tax rate ceiling.

230 (4) In a year of general reassessment, a governing body whose tax rate is
231 lower than its tax rate ceiling shall revise its tax rate pursuant to the provisions
232 of subsection 4 of this section as if its tax rate was at the tax rate ceiling. In a
233 year following general reassessment, if such governing body intends to increase

234 its tax rate, the governing body shall conduct a public hearing, and in a public
235 meeting it shall adopt an ordinance, resolution, or policy statement justifying its
236 action prior to setting and certifying its tax rate. The provisions of this
237 subdivision shall not apply to any political subdivision which levies a tax rate
238 lower than its tax rate ceiling solely due to a reduction required by law resulting
239 from sales tax collections. The provisions of this subdivision shall not apply to
240 any political subdivision which has received voter approval for an increase to its
241 tax rate ceiling subsequent to setting its most recent tax rate.

242 6. (1) For the purposes of calculating state aid for public schools pursuant
243 to section 163.031, RSMo, each taxing authority which is a school district shall
244 determine its proposed tax rate as a blended rate of the classes or subclasses of
245 property. Such blended rate shall be calculated by first determining the total tax
246 revenue of the property within the jurisdiction of the taxing authority, which
247 amount shall be equal to the sum of the products of multiplying the assessed
248 valuation of each class and subclass of property by the corresponding tax rate for
249 such class or subclass, then dividing the total tax revenue by the total assessed
250 valuation of the same jurisdiction, and then multiplying the resulting quotient
251 by a factor of one hundred. Where the taxing authority is a school district, such
252 blended rate shall also be used by such school district for calculating revenue
253 from state-assessed railroad and utility property as defined in chapter 151, RSMo,
254 and for apportioning the tax rate by purpose.

255 (2) Each taxing authority proposing to levy a tax rate in any year shall
256 notify the clerk of the county commission in the county or counties where the tax
257 rate applies of its tax rate ceiling and its proposed tax rate. Each taxing
258 authority shall express its proposed tax rate in a fraction equal to the nearest
259 one-tenth of a cent, unless its proposed tax rate is in excess of one dollar, then
260 one/one-hundredth of a cent. If a taxing authority shall round to
261 one/one-hundredth of a cent, it shall round up a fraction greater than or equal to
262 five/one-thousandth of one cent to the next higher one/one-hundredth of a cent;
263 if a taxing authority shall round to one-tenth of a cent, it shall round up a
264 fraction greater than or equal to five/one-hundredths of a cent to the next higher
265 one-tenth of a cent. Any taxing authority levying a property tax rate shall
266 provide data, in such form as shall be prescribed by the state auditor by rule,
267 substantiating such tax rate complies with Missouri law. All forms for the
268 calculation of rates pursuant to this section shall be promulgated as a rule and
269 shall not be incorporated by reference. The state auditor shall promulgate rules

270 for any and all forms for the calculation of rates pursuant to this section which
271 do not currently exist in rule form or that have been incorporated by reference.
272 In addition, each taxing authority proposing to levy a tax rate for debt service
273 shall provide data, in such form as shall be prescribed by the state auditor by
274 rule, substantiating the tax rate for debt service complies with Missouri law. A
275 tax rate proposed for annual debt service requirements will be prima facie valid
276 if, after making the payment for which the tax was levied, bonds remain
277 outstanding and the debt fund reserves do not exceed the following year's
278 payments. The county clerk shall keep on file and available for public inspection
279 all such information for a period of three years. The clerk shall, within three
280 days of receipt, forward a copy of the notice of a taxing authority's tax rate ceiling
281 and proposed tax rate and any substantiating data to the state auditor. The state
282 auditor shall, within fifteen days of the date of receipt, examine such information
283 and return to the county clerk his or her findings as to compliance of the tax rate
284 ceiling with this section and as to compliance of any proposed tax rate for debt
285 service with Missouri law. If the state auditor believes that a taxing authority's
286 proposed tax rate does not comply with Missouri law, then the state auditor's
287 findings shall include a recalculated tax rate, and the state auditor may request
288 a taxing authority to submit documentation supporting such taxing authority's
289 proposed tax rate. The county clerk shall immediately forward a copy of the
290 auditor's findings to the taxing authority and shall file a copy of the findings with
291 the information received from the taxing authority. The taxing authority shall
292 have fifteen days from the date of receipt from the county clerk of the state
293 auditor's findings and any request for supporting documentation to accept or
294 reject in writing the rate change certified by the state auditor and to submit all
295 requested information to the state auditor. A copy of the taxing authority's
296 acceptance or rejection and any information submitted to the state auditor shall
297 also be mailed to the county clerk. If a taxing authority rejects a rate change
298 certified by the state auditor and the state auditor does not receive supporting
299 information which justifies the taxing authority's original or any subsequent
300 proposed tax rate, then the state auditor shall refer the perceived violations of
301 such taxing authority to the attorney general's office and the attorney general is
302 authorized to obtain injunctive relief to prevent the taxing authority from levying
303 a violative tax rate.

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

306 section.

307 8. Whenever a taxpayer has cause to believe that a taxing authority has
308 not complied with the provisions of this section, the taxpayer may make a formal
309 complaint with the prosecuting attorney of the county. Where the prosecuting
310 attorney fails to bring an action within ten days of the filing of the complaint, the
311 taxpayer may bring a civil action pursuant to this section and institute an action
312 as representative of a class of all taxpayers within a taxing authority if the class
313 is so numerous that joinder of all members is impracticable, if there are questions
314 of law or fact common to the class, if the claims or defenses of the representative
315 parties are typical of the claims or defenses of the class, and if the representative
316 parties will fairly and adequately protect the interests of the class. In any class
317 action maintained pursuant to this section, the court may direct to the members
318 of the class a notice to be published at least once each week for four consecutive
319 weeks in a newspaper of general circulation published in the county where the
320 civil action is commenced and in other counties within the jurisdiction of a taxing
321 authority. The notice shall advise each member that the court will exclude him
322 or her from the class if he or she so requests by a specified date, that the
323 judgment, whether favorable or not, will include all members who do not request
324 exclusion, and that any member who does not request exclusion may, if he or she
325 desires, enter an appearance. In any class action brought pursuant to this
326 section, the court, in addition to the relief requested, shall assess against the
327 taxing authority found to be in violation of this section the reasonable costs of
328 bringing the action, including reasonable attorney's fees, provided no attorney's
329 fees shall be awarded any attorney or association of attorneys who receive public
330 funds from any source for their services. Any action brought pursuant to this
331 section shall be set for hearing as soon as practicable after the cause is at issue.

332 9. If in any action, including a class action, the court issues an order
333 requiring a taxing authority to revise the tax rates as provided in this section or
334 enjoins a taxing authority from the collection of a tax because of its failure to
335 revise the rate of levy as provided in this section, any taxpayer paying his or her
336 taxes when an improper rate is applied has erroneously paid his or her taxes in
337 part, whether or not the taxes are paid under protest as provided in section
338 139.031, RSMo, or otherwise contested. The part of the taxes paid erroneously
339 is the difference in the amount produced by the original levy and the amount
340 produced by the revised levy. The township or county collector of taxes or the
341 collector of taxes in any city shall refund the amount of the tax erroneously

342 paid. The taxing authority refusing to revise the rate of levy as provided in this
343 section shall make available to the collector all funds necessary to make refunds
344 pursuant to this subsection. No taxpayer shall receive any interest on any money
345 erroneously paid by him or her pursuant to this subsection. Effective in the 1994
346 tax year, nothing in this section shall be construed to require a taxing authority
347 to refund any tax erroneously paid prior to or during the third tax year preceding
348 the current tax year.

349 10. Any rule or portion of a rule, as that term is defined in section
350 536.010, RSMo, that is created under the authority delegated in this section shall
351 become effective only if it complies with and is subject to all of the provisions of
352 chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and
353 chapter 536, RSMo, are nonseverable and if any of the powers vested with the
354 general assembly pursuant to chapter 536, RSMo, to review, to delay the effective
355 date, or to disapprove and annul a rule are subsequently held unconstitutional,
356 then the grant of rulemaking authority and any rule proposed or adopted after
357 August 28, 2004, shall be invalid and void.

137.076. In establishing the value of a parcel of real property the county
2 assessor shall consider **current market conditions, professional appraisals,**
3 **and** previous decisions of the county board of equalization, the state tax
4 commission or a court of competent jurisdiction that affected the value of such
5 parcel. **For purposes of this section, the term "current market**
6 **conditions", shall mean the impact upon the housing market of**
7 **foreclosures, bank sales, and the average time homes remain on the**
8 **market before a sale is consummated.**

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. **As provided in this**
8 **section and section 137.123,** the assessor shall annually assess all real
9 property, including any new construction and improvements to real property, and
10 possessory interests in real property at the percent of its true value in money set
11 in subsection 5 of this section. The true value in money of any possessory
12 interest in real property in subclass (3), where such real property is on or lies

13 within the ultimate airport boundary as shown by a federal airport layout plan,
14 as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139
15 certification and owned by a political subdivision, shall be the otherwise
16 applicable true value in money of any such possessory interest in real property,
17 less the total dollar amount of costs paid by a party, other than the political
18 subdivision, towards any new construction or improvements on such real property
19 completed after January 1, 2008, and which are included in the above-mentioned
20 possessory interest, regardless of the year in which such costs were incurred or
21 whether such costs were considered in any prior year. The assessor shall
22 annually assess all real property in the following manner: new assessed values
23 shall be determined as of January first of each odd-numbered year and shall be
24 entered in the assessor's books; those same assessed values shall apply in the
25 following even-numbered year, except for new construction and property
26 improvements which shall be valued as though they had been completed as of
27 January first of the preceding odd-numbered year. The assessor may call at the
28 office, place of doing business, or residence of each person required by this
29 chapter to list property, and require the person to make a correct statement of all
30 taxable tangible personal property owned by the person or under his or her care,
31 charge or management, taxable in the county. On or before January first of each
32 even-numbered year, the assessor shall prepare and submit a two-year
33 assessment maintenance plan to the county governing body and the state tax
34 commission for their respective approval or modification. The county governing
35 body shall approve and forward such plan or its alternative to the plan to the
36 state tax commission by February first. If the county governing body fails to
37 forward the plan or its alternative to the plan to the state tax commission by
38 February first, the assessor's plan shall be considered approved by the county
39 governing body. If the state tax commission fails to approve a plan and if the
40 state tax commission and the assessor and the governing body of the county
41 involved are unable to resolve the differences, in order to receive state cost-share
42 funds outlined in section 137.750, the county or the assessor shall petition the
43 administrative hearing commission, by May first, to decide all matters in dispute
44 regarding the assessment maintenance plan. Upon agreement of the parties, the
45 matter may be stayed while the parties proceed with mediation or arbitration
46 upon terms agreed to by the parties. The final decision of the administrative
47 hearing commission shall be subject to judicial review in the circuit court of the
48 county involved. In the event a valuation of subclass (1) real property within any

49 county with a charter form of government, or within a city not within a county,
50 is made by a computer, computer-assisted method or a computer program, the
51 burden of proof, supported by clear, convincing and cogent evidence to sustain
52 such valuation, shall be on the assessor at any hearing or appeal. In any such
53 county, unless the assessor proves otherwise, there shall be a presumption that
54 the assessment was made by a computer, computer-assisted method or a
55 computer program. Such evidence shall include, but shall not be limited to, the
56 following:

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

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

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

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

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

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

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

76 (2) Livestock, twelve percent;

77 (3) Farm machinery, twelve percent;

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

83 (5) Poultry, twelve percent; and

84 (6) Tools and equipment used for pollution control and tools and

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

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

94 5. All subclasses of real property, as such subclasses are established in
95 section 4(b) of article X of the Missouri Constitution and defined in section
96 137.016, shall be assessed at the following percentages of true value:

- 97 (1) For real property in subclass (1), nineteen percent;
98 (2) For real property in subclass (2), twelve percent; and
99 (3) For real property in subclass (3), thirty-two percent.

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

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

119 8. Any amount of tax due and owing based on the assessment of a
120 manufactured home shall be included on the personal property tax statement of

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

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

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

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

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

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

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

165 15. [Any] **Every** county [or] **and** city not within a county in this state
166 [may, by an affirmative vote of the governing body of such county, opt out of]
167 **shall be subject to** the provisions of this section and sections 137.073, **137.123**,
168 138.060, and 138.100, RSMo, [as enacted by house bill no. 1150 of the ninety-first
169 general assembly, second regular session and section 137.073 as modified by
170 house committee substitute for senate substitute for senate committee substitute
171 for senate bill no. 960, ninety-second general assembly, second regular session,
172 for the next year of the general reassessment, prior to January first of any year.
173 No county or city not within a county shall exercise this opt-out provision after
174 implementing the provisions of this section and sections 137.073, 138.060, and
175 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first general
176 assembly, second regular session and section 137.073 as modified by house
177 committee substitute for senate substitute for senate committee substitute for
178 senate bill no. 960, ninety-second general assembly, second regular session, in a
179 year of general reassessment. For the purposes of applying the provisions of this
180 subsection, a political subdivision contained within two or more counties where
181 at least one of such counties has opted out and at least one of such counties has
182 not opted out shall calculate a single tax rate as in effect prior to the enactment
183 of house bill no. 1150 of the ninety-first general assembly, second regular session.
184 A governing body of a city not within a county or a county that has opted out
185 under the provisions of this subsection may choose to implement the provisions
186 of this section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by
187 house bill no. 1150 of the ninety-first general assembly, second regular session,
188 and section 137.073 as modified by house committee substitute for senate
189 substitute for senate committee substitute for senate bill no. 960, ninety-second
190 general assembly, second regular session, for the next year of general
191 reassessment, by an affirmative vote of the governing body prior to December
192 thirty-first of any year.

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

**137.123. 1. The assessor of each county of this state and any city
2 not within a county shall reassess residential real property every odd
3 numbered year as provided under this section, and shall consider
4 current market conditions in making such reassessments. Where
5 appropriate, assessors shall decrease assessed values to accurately
6 reflect fair market value.**

7 **2. During any year of general reassessment, the assessed value
8 of property, which is not subject to a transfer of ownership and is in
9 subclass 1 of class 1 provided under article X, sections 4 (a) and (b) of
10 the Missouri Constitution, shall not increase due to reassessment,
11 excluding new construction and improvement, by a percentage greater
12 than the lesser of the percentage increase in the Consumer Price Index
13 for the Midwest Region or two percent. Upon transfer of ownership of
14 a property, such property shall be reassessed at the percentage
15 provided under section 137.115 of the property's true value. For
16 purposes of this section, the term "transfer of ownership" shall not
17 include:**

18 **(1) Conveyances of residential real property between individuals
19 within the second degree of consanguinity;**

20 **(2) The sale of residential real property and subsequent purchase
21 of another parcel of residential real property located within the same
22 county, by a person age fifty-five years or older, provided the newly
23 acquired property's value is not more than one million dollars more
24 than the market value of the previously owned property.**

25 **3. Where a taxpayer disputes an assessor's determination of
26 assessed valuation for a parcel of residential real property owned by
27 such taxpayer, the submission of an appraised value of such property,
28 determined by a certified appraiser, shall be deemed the true value of
29 money of such property and shall constitute the basis for determining**

30 **the assessed value of such property. For purposes of this subsection**
31 **the term "certified appraiser" shall mean any assessor who is a member**
32 **of the National Association of Master Appraisers or is licensed or**
33 **certified under the provisions of sections 339.500 to 339.549, RSMo. An**
34 **appraisal determined by a certified appraiser shall be valid, for**
35 **purposes of this section, for a period of not more than twelve months**
36 **from the date of appraisal.**

138.380. It shall be the duty of the state tax commission, and the
2 commissioners shall have authority, to perform all duties enumerated in this
3 section and such other duties as may be provided by law:

4 (1) To raise or lower the assessed valuation of any real or tangible
5 personal property, including the power to raise or lower the assessed valuation
6 of the real or tangible personal property of any individual, copartnership,
7 company, association or corporation; provided, that before any such assessment
8 is so raised, notice of the intention of the commission to raise such assessed
9 valuation and of the time and place at which a hearing thereon will be held, shall
10 be given to such individual, copartnership, company, association or corporation
11 as provided in sections 138.460 and 138.470;

12 (2) To require from any officer in this state, on forms prescribed by the
13 commission, such annual or other reports as shall enable said commission to
14 ascertain the assessed and equalized value of all real and tangible property listed
15 for taxation, the amount of taxes assessed, collected and returned, and such other
16 matter as the commission may require, to the end that it may have complete
17 information concerning the entire subject of revenue and taxation and all matters
18 and things incidental thereto;

19 (3) To cause to be placed upon the assessment rolls at any time during the
20 year omitted property which may be discovered to have, for any reason, escaped
21 assessment and taxation, and to correct any errors that may be found on the
22 assessment rolls and to cause the proper entry to be made thereon;

23 (4) To investigate the tax laws of other states and countries, to formulate
24 and submit to the legislature such recommendations as the commission may deem
25 expedient to prevent evasions of the assessment and taxing laws, whether the tax
26 is specific or general, to secure just, equal and uniform taxes, and improve the
27 system of assessment and taxation in this state;

28 (5) To prescribe the form of all blanks and books that are used in the
29 assessment and collection of the general property tax, except as otherwise

30 provided by law; [and]

31 (6) To develop, or enter into contracts with entities for the development
32 of, computer software programs sufficient to produce the projected tax liability
33 notices required under subsections 2 and 3 of section 137.180, subsection 2 of
34 section 137.355, and subsection 2 of section 137.490. Upon receiving a request,
35 before December 31, 2009, filed by a collector of any county or any city not within
36 the county, the commission shall provide the collector with such computer
37 software programs; **and**

38 **(7) To develop and provide to the assessors of the counties of this**
39 **state and any assessors of any city not within a county documents,**
40 **informational pamphlets to be provided by such assessors with the**
41 **notices required under the provisions of subsections 2 and 3 of section**
42 **137.180, subsection 2 of section 137.355, and subsection 2 of section**
43 **137.490, which shall provide taxpayers specific information regarding**
44 **their right to appeal the determination of assessed value, the time**
45 **limitations for such appeals, and relevant contact information to aid**
46 **such taxpayers appealing assessments. Such documents shall be**
47 **provided by the commission to the assessors of this state at no charge**
48 **and in an amount sufficient to guarantee that all registered taxpayers**
49 **within the state are apprised of their appellate rights under Missouri**
50 **property tax law.**

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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