

FIRST REGULAR SESSION

# SENATE BILL NO. 251

96TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR KEHOE.

Read 1st time February 9, 2011, and ordered printed.

TERRY L. SPIELER, Secretary.

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## AN ACT

To repeal sections 137.016 and 137.080, RSMo, and to enact in lieu thereof two new sections relating to watercraft.

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

Section A. Sections 137.016 and 137.080, RSMo, are repealed and two new  
2 sections enacted in lieu thereof, to be known as sections 137.016 and 137.080, to  
3 read as follows:

137.016. 1. As used in section 4(b) of article X of the Missouri  
2 Constitution, the following terms mean:

3 (1) "Agricultural and horticultural property", all real property used for  
4 agricultural purposes and devoted primarily to the raising and harvesting of  
5 crops; to the feeding, breeding and management of livestock which shall include  
6 breeding, showing, and boarding of horses; to dairying, or to any other  
7 combination thereof; and buildings and structures customarily associated with  
8 farming, agricultural, and horticultural uses. Agricultural and horticultural  
9 property shall also include land devoted to and qualifying for payments or other  
10 compensation under a soil conservation or agricultural assistance program under  
11 an agreement with an agency of the federal government. Agricultural and  
12 horticultural property shall further include land and improvements, exclusive of  
13 structures, on privately owned airports that qualify as reliever airports under the  
14 Nation Plan of Integrated Airports System, to receive federal airport improvement  
15 project funds through the Federal Aviation Administration. Real property  
16 classified as forest croplands shall not be agricultural or horticultural property  
17 so long as it is classified as forest croplands and shall be taxed in accordance with  
18 the laws enacted to implement section 7 of article X of the Missouri Constitution;

19 (2) "Residential property", all real property improved by a structure which

20 is used or intended to be used for residential living by human occupants, vacant  
21 land in connection with an airport, land used as a golf course, **any watercraft**  
22 **as defined in section 137.080**, and manufactured home parks, but residential  
23 property shall not include other similar facilities used primarily for transient  
24 housing. For the purposes of this section, "transient housing" means all rooms  
25 available for rent or lease for which the receipts from the rent or lease of such  
26 rooms are subject to state sales tax pursuant to subdivision (6) of subsection 1 of  
27 section 144.020;

28 (3) "Utility, industrial, commercial, railroad and other real property", all  
29 real property used directly or indirectly, for any commercial, mining, industrial,  
30 manufacturing, trade, professional, business, or similar purpose, including all  
31 property centrally assessed by the state tax commission but shall not include  
32 floating docks, portions of which are separately owned and the remainder of  
33 which is designated for common ownership and in which no one person or  
34 business entity owns more than five individual units. All other real property not  
35 included in the property listed in subclasses (1) and (2) of section 4(b) of article  
36 X of the Missouri Constitution, as such property is defined in this section, shall  
37 be deemed to be included in the term "utility, industrial, commercial, railroad and  
38 other real property".

39 2. Pursuant to article X of the state constitution, any taxing district may  
40 adjust its operating levy to recoup any loss of property tax revenue, except  
41 revenues from the surtax imposed pursuant to article X, subsection 2 of section  
42 6 of the constitution, as the result of changing the classification of structures  
43 intended to be used for residential living by human occupants which contain five  
44 or more dwelling units if such adjustment of the levy does not exceed the highest  
45 tax rate in effect subsequent to the 1980 tax year. For purposes of this section,  
46 loss in revenue shall include the difference between the revenue that would have  
47 been collected on such property under its classification prior to enactment of this  
48 section and the amount to be collected under its classification under this  
49 section. The county assessor of each county or city not within a county shall  
50 provide information to each taxing district within its boundaries regarding the  
51 difference in assessed valuation of such property as the result of such change in  
52 classification.

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

56 made after December 31, 1994.

57           4. Where real property is used or held for use for more than one purpose  
58 and such uses result in different classifications, the county assessor shall allocate  
59 to each classification the percentage of the true value in money of the property  
60 devoted to each use; except that, where agricultural and horticultural property,  
61 as defined in this section, also contains a dwelling unit or units, the farm  
62 dwelling, appurtenant residential-related structures and up to five acres  
63 immediately surrounding such farm dwelling shall be residential property, as  
64 defined in this section.

65           5. All real property which is vacant, unused, or held for future use; which  
66 is used for a private club, a not-for-profit or other nonexempt lodge, club,  
67 business, trade, service organization, or similar entity; or for which a  
68 determination as to its classification cannot be made under the definitions set out  
69 in subsection 1 of this section, shall be classified according to its immediate most  
70 suitable economic use, which use shall be determined after consideration of:

- 71           (1) Immediate prior use, if any, of such property;  
72           (2) Location of such property;  
73           (3) Zoning classification of such property; except that, such zoning  
74 classification shall not be considered conclusive if, upon consideration of all  
75 factors, it is determined that such zoning classification does not reflect the  
76 immediate most suitable economic use of the property;  
77           (4) Other legal restrictions on the use of such property;  
78           (5) Availability of water, electricity, gas, sewers, street lighting, and other  
79 public services for such property;  
80           (6) Size of such property;  
81           (7) Access of such property to public thoroughfares; and  
82           (8) Any other factors relevant to a determination of the immediate most  
83 suitable economic use of such property.

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

137.080. 1. Real estate and tangible personal property shall be assessed  
2 annually at the assessment which commences on the first day of January. For  
3 purposes of assessing and taxing tangible personal property, all tangible personal

4 property shall be divided into the following subclasses:

5 (1) Grain and other agricultural crops in an unmanufactured condition;

6 (2) Livestock;

7 (3) Farm machinery;

8 (4) Vehicles, including recreational vehicles, but not including  
9 manufactured homes, as defined in section 700.010, which are actually used as  
10 dwelling units, **and not including watercraft as defined in this section;**

11 (5) Manufactured homes, as defined in section 700.010, which are actually  
12 used as dwelling units;

13 (6) Motor vehicles which are eligible for registration and are registered  
14 as historic motor vehicles under section 301.131;

15 (7) All taxable tangible personal property not included in subclass (1),  
16 subclass (2), subclass (3), subclass (4), subclass (5), or subclass (6).

17 **2. As used in this section, "watercraft" means any vessel or**  
18 **watercraft, as such terms are defined in section 306.010, that has bath**  
19 **and toilet facilities, a sleeping area, and kitchen facilities, that is**  
20 **eligible for the home mortgage interest deduction on the taxpayer's**  
21 **federal income tax return, that is registered under chapter 306, and**  
22 **that is used as the taxpayer's principal place of residence or as a**  
23 **temporary residence for the taxpayer.**

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