

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILLS NOS. 112 & 285
96TH GENERAL ASSEMBLY

Reported from the Committee on Agriculture, Food Production and Outdoor Resources, April 21, 2011, with recommendation that the Senate Committee Substitute do pass.

0135S.03C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal section 137.016, RSMo, and to enact in lieu thereof one new section relating to classification of certain real property.

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

Section A. Section 137.016, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 137.016, to 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
19 Constitution. **Agricultural and horticultural property shall also include**

20 **any sawmill or planing mill defined in the U.S. Department of Labor's**
21 **Standard Industrial Classification (SIC) Manual under Industry Group**
22 **242 with the SIC number 2421;**

23 (2) "Residential property", all real property improved by a structure which
24 is used or intended to be used for residential living by human occupants,
25 **including any land or associated residential-related structure which is**
26 **part of a residential subdivision, condominium, time-share**
27 **development, or similar residential common ownership community,**
28 vacant land in connection with an airport, land used as a golf course, and
29 manufactured home parks, but residential property shall not include other
30 similar facilities used primarily for transient housing. For the purposes of this
31 section, "transient housing" means all **sleeping rooms or units within a**
32 **structure which are continuously** available for rent or lease for which the
33 receipts from the rent or lease of such rooms are subject to state sales tax
34 pursuant to subdivision (6) of subsection 1 of section 144.020;

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

46 2. Pursuant to article X of the state constitution, any taxing district may
47 adjust its operating levy to recoup any loss of property tax revenue, except
48 revenues from the surtax imposed pursuant to article X, subsection 2 of section
49 6 of the constitution, as the result of changing the classification of structures
50 intended to be used for residential living by human occupants which contain five
51 or more dwelling units if such adjustment of the levy does not exceed the highest
52 tax rate in effect subsequent to the 1980 tax year. For purposes of this section,
53 loss in revenue shall include the difference between the revenue that would have
54 been collected on such property under its classification prior to enactment of this
55 section and the amount to be collected under its classification under this

56 section. The county assessor of each county or city not within a county shall
57 provide information to each taxing district within its boundaries regarding the
58 difference in assessed valuation of such property as the result of such change in
59 classification.

60 3. All reclassification of property as the result of changing the
61 classification of structures intended to be used for residential living by human
62 occupants which contain five or more dwelling units shall apply to assessments
63 made after December 31, 1994.

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

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

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

91 6. All lands classified as forest croplands shall not, for taxation purposes,

92 be classified as subclass (1), subclass (2), or subclass (3) real property, as such
93 classes are prescribed in section 4(b) of article X of the Missouri Constitution and
94 defined in this section, but shall be taxed in accordance with the laws enacted to
95 implement section 7 of article X of the Missouri Constitution.

✓

Unofficial

Bill

Copy