

FIRST REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
SENATE SUBSTITUTE FOR

SENATE BILL NO. 55

96TH GENERAL ASSEMBLY

2011

0329S.02T

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Section A. Section 137.016, RSMo, is repealed and one new section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, vacant
25 land in connection with an airport, land used as a golf course, and manufactured
26 home parks, but residential property shall not include other similar facilities used
27 primarily for transient housing. For the purposes of this section, "transient
28 housing" means all rooms available for rent or lease for which the receipts from
29 the rent or lease of such rooms are subject to state sales tax pursuant to
30 subdivision (6) of subsection 1 of section 144.020;

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

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

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

60 4. Where real property is used or held for use for more than one purpose
61 and such uses result in different classifications, the county assessor shall allocate
62 to each classification the percentage of the true value in money of the property

63 devoted to each use; except that, where agricultural and horticultural property,
64 as defined in this section, also contains a dwelling unit or units, the farm
65 dwelling, appurtenant residential-related structures and up to five acres
66 immediately surrounding such farm dwelling shall be residential property, as
67 defined in this section.

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

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

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

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