

SECOND REGULAR SESSION
[P E R F E C T E D]
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 591
96TH GENERAL ASSEMBLY

Reported from the Committee on Ways and Means and Fiscal Oversight, February 2, 2012, with recommendation that the Senate Committee Substitute do pass and be placed on the Consent Calendar.

Removed from the Consent Calendar February 2, 2012.

Re-reported from the Committee on Ways and Means and Fiscal Oversight, February 9, 2012, with recommendation that the Senate Committee Substitute do pass.

Senate Committee Substitute for Senate Bill No. 591, adopted March 5, 2012.

Taken up for Perfection March 5, 2012. Bill declared Perfected and Ordered Printed, as amended.

TERRY L. SPIELER, Secretary.

4702S.02P

AN ACT

To repeal sections 137.115 and 138.060, RSMo, and to enact in lieu thereof two new sections relating to motor vehicle valuations.

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

Section A. Sections 137.115 and 138.060, RSMo, are repealed and two
2 new sections enacted in lieu thereof, to be known as sections 137.115 and
3 138.060, 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. The true value in money of any
11 possessory interest in real property in subclass (3), where such real property is
12 on or lies within the ultimate airport boundary as shown by a federal airport
13 layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR

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

14 Part 139 certification and owned by a political subdivision, shall be the otherwise
15 applicable true value in money of any such possessory interest in real property,
16 less the total dollar amount of costs paid by a party, other than the political
17 subdivision, towards any new construction or improvements on such real property
18 completed after January 1, 2008, and which are included in the above-mentioned
19 possessory interest, regardless of the year in which such costs were incurred or
20 whether such costs were considered in any prior year. The assessor shall
21 annually assess all real property in the following manner: new assessed values
22 shall be determined as of January first of each odd-numbered year and shall be
23 entered in the assessor's books; those same assessed values shall apply in the
24 following even-numbered year, except for new construction and property
25 improvements which shall be valued as though they had been completed as of
26 January first of the preceding odd-numbered year. The assessor may call at the
27 office, place of doing business, or residence of each person required by this
28 chapter to list property, and require the person to make a correct statement of all
29 taxable tangible personal property owned by the person or under his or her care,
30 charge or management, taxable in the county. On or before January first of each
31 even-numbered year, the assessor shall prepare and submit a two-year
32 assessment maintenance plan to the county governing body and the state tax
33 commission for their respective approval or modification. The county governing
34 body shall approve and forward such plan or its alternative to the plan to the
35 state tax commission by February first. If the county governing body fails to
36 forward the plan or its alternative to the plan to the state tax commission by
37 February first, the assessor's plan shall be considered approved by the county
38 governing body. If the state tax commission fails to approve a plan and if the
39 state tax commission and the assessor and the governing body of the county
40 involved are unable to resolve the differences, in order to receive state cost-share
41 funds outlined in section 137.750, the county or the assessor shall petition the
42 administrative hearing commission, by May first, to decide all matters in dispute
43 regarding the assessment maintenance plan. Upon agreement of the parties, the
44 matter may be stayed while the parties proceed with mediation or arbitration
45 upon terms agreed to by the parties. The final decision of the administrative
46 hearing commission shall be subject to judicial review in the circuit court of the
47 county involved. In the event a valuation of subclass (1) real property within any
48 county with a charter form of government, or within a city not within a county,
49 is made by a computer, computer-assisted method or a computer program, the

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

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

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

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

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

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

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

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

75 (2) Livestock, twelve percent;

76 (3) Farm machinery, twelve percent;

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

82 (5) Poultry, twelve percent; and

83 (6) Tools and equipment used for pollution control and tools and
84 equipment used in retooling for the purpose of introducing new product lines or
85 used for making improvements to existing products by any company which is

86 located in a state enterprise zone and which is identified by any standard
87 industrial classification number cited in subdivision [(6)] (5) of section 135.200,
88 twenty-five percent.

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

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

96 (1) For real property in subclass (1), nineteen percent;

97 (2) For real property in subclass (2), twelve percent; and

98 (3) For real property in subclass (3), thirty-two percent.

99 6. Manufactured homes, as defined in section 700.010, which are actually
100 used as dwelling units shall be assessed at the same percentage of true value as
101 residential real property for the purpose of taxation. The percentage of
102 assessment of true value for such manufactured homes shall be the same as for
103 residential real property. If the county collector cannot identify or find the
104 manufactured home when attempting to attach the manufactured home for
105 payment of taxes owed by the manufactured home owner, the county collector
106 may request the county commission to have the manufactured home removed from
107 the tax books, and such request shall be granted within thirty days after the
108 request is made; however, the removal from the tax books does not remove the tax
109 lien on the manufactured home if it is later identified or found. For purposes of
110 this section, a manufactured home located in a manufactured home rental park,
111 rental community or on real estate not owned by the manufactured home owner
112 shall be considered personal property. For purposes of this section, a
113 manufactured home located on real estate owned by the manufactured home
114 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 is **deemed to be** real estate [as defined in] **under** subsection 7 of section
118 442.015 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 is **deemed to be**

122 real estate [as defined in] **under** subsection 7 of section 442.015, in which case
123 the amount of tax due and owing on the assessment of the manufactured home
124 as a realty improvement to the existing real estate parcel shall be included on the
125 real 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 **lowest** trade-in value published in the October issue of [the National
128 Automobile Dealers' Association Official Used Car Guide, or its successor
129 publication, as the recommended] **a single nationally recognized** guide of
130 information for determining the true value of motor vehicles described in such
131 publication. **Such publication shall be approved by the state tax**
132 **commission in conjunction with the association representing the**
133 **majority of assessors of this state. The state tax commission shall also**
134 **approve four additional guides for determining the true value of motor**
135 **vehicles. If the owner of the motor vehicle presents evidence that any**
136 **of the four other approved publications has a lower published trade-in**
137 **value that is applicable to the motor vehicle, the assessor shall use such**
138 **value in determining the true value of the motor vehicle.** In the absence
139 of a listing for a particular motor vehicle in such [publication] **publications**, the
140 assessor shall use such information or publications which in the assessor's
141 judgment will fairly estimate the true value in money of the motor vehicle.

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

146 11. If a physical inspection is required, pursuant to subsection 10 of this
147 section, the assessor shall notify the property owner of that fact in writing and
148 shall provide the owner clear written notice of the owner's rights relating to the
149 physical inspection. If a physical inspection is required, the property owner may
150 request that an interior inspection be performed during the physical
151 inspection. The owner shall have no less than thirty days to notify the assessor
152 of a request for an interior physical inspection.

153 12. A physical inspection, as required by subsection 10 of this section,
154 shall include, but not be limited to, an on-site personal observation and review
155 of all exterior portions of the land and any buildings and improvements to which
156 the inspector has or may reasonably and lawfully gain external access, and shall
157 include an observation and review of the interior of any buildings or

158 improvements on the property upon the timely request of the owner pursuant to
159 subsection 11 of this section. Mere observation of the property via a drive-by
160 inspection or the like shall not be considered sufficient to constitute a physical
161 inspection as required by this section.

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

165 14. A county or city collector may accept credit cards as proper form of
166 payment of outstanding property tax or license due. No county or city collector
167 may charge surcharge for payment by credit card which exceeds the fee or
168 surcharge charged by the credit card bank, processor, or issuer for its service. A
169 county or city collector may accept payment by electronic transfers of funds in
170 payment of any tax or license and charge the person making such payment a fee
171 equal to the fee charged the county by the bank, processor, or issuer of such
172 electronic payment.

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

194 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly,
195 second regular session, and section 137.073 as modified by house committee
196 substitute for senate substitute for senate committee substitute for senate bill no.
197 960, ninety-second general assembly, second regular session, for the next year of
198 general reassessment, by an affirmative vote of the governing body prior to
199 December thirty-first of any year.

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

138.060. 1. The county board of equalization shall, in a summary way,
2 determine all appeals from the valuation of property made by the assessor, and
3 shall correct and adjust the assessment accordingly. There shall be no
4 presumption that the assessor's valuation is correct. In any county with a charter
5 form of government with a population greater than two hundred eighty thousand
6 inhabitants but less than two hundred eighty-five thousand inhabitants, and in
7 any county with a charter form of government with greater than one million
8 inhabitants, and in any city not within a county, the assessor shall have the
9 burden to prove that the assessor's valuation does not exceed the true market
10 value of the subject property. In such county or city, in the event a physical
11 inspection of the subject property is required by subsection 10 of section 137.115,
12 the assessor shall have the burden to establish the manner in which the physical
13 inspection was performed and shall have the burden to prove that the physical
14 inspection was performed in accordance with section 137.115. In such county or
15 city, in the event the assessor fails to provide sufficient evidence to establish that
16 the physical inspection was performed in accordance with section 137.115, the
17 property owner shall prevail on the appeal as a matter of law. At any hearing
18 before the state tax commission or a court of competent jurisdiction of an appeal
19 of assessment from a first class charter county or a city not within a county, the
20 assessor shall not advocate nor present evidence advocating a valuation higher
21 than that value finally determined by the assessor or the value determined by the
22 board of equalization, whichever is higher, for that assessment period. **In an**

23 **appeal concerning the assessor's valuation of a motor vehicle, the**
24 **assessor shall have the burden to prove that the owner's evidence of a**
25 **lower published trade-in value from one of the publications approved**
26 **pursuant to subsection 9 of section 137.115 does not demonstrate the**
27 **true value of the motor vehicle.**

28 2. The county clerk shall keep an accurate record of the proceedings and
29 orders of the board, and the assessor shall correct all erroneous assessments, and
30 the clerk shall adjust the tax book according to the orders of such board and the
31 orders of the state tax commission, except that in adding or deducting such
32 percent to each tract or parcel of real estate as required by such board or state
33 tax commission, he shall add or deduct in each case any fractional sum of less
34 than fifty cents, so that the value of any separate tract shall contain no fractions
35 of a dollar.

✓

Bill

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