

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 596

98TH GENERAL ASSEMBLY

Reported from the Committee on Ways and Means, April 14, 2016, with recommendation that the Senate Committee Substitute do pass.

4403S.04C

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal section 137.016, RSMo, and to enact in lieu thereof one new section relating to the definition of agricultural and horticultural property for purposes of taxation.

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Section A. Section 137.016, RSMo, is repealed and one new section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) "Residential property", all real property improved by a structure which
4 is used or intended to be used for residential living by human occupants, vacant
5 land in connection with an airport, land used as a golf course, manufactured
6 home parks, and time-share units as defined in section 407.600, except to the
7 extent such units are actually rented and subject to sales tax under subdivision
8 (6) of subsection 1 of section 144.020, but residential property shall not include
9 other similar facilities used primarily for transient housing. For the purposes of
10 this section, "transient housing" means all rooms available for rent or lease for
11 which the receipts from the rent or lease of such rooms are subject to state sales
12 tax pursuant to subdivision (6) of subsection 1 of section 144.020;

13 (2) "Agricultural and horticultural property", all real property used for
14 agricultural purposes and devoted primarily to the raising and harvesting of
15 crops; to the feeding, breeding and management of livestock which shall include
16 breeding, showing, and boarding of horses; to dairying, or to any other
17 combination thereof; and buildings and structures customarily associated with
18 farming, agricultural, and horticultural uses. Agricultural and horticultural
19 property shall also include land devoted to and qualifying for payments or other

20 compensation under a soil conservation or agricultural assistance program under
21 an agreement with an agency of the federal government. Agricultural and
22 horticultural property shall further include land and improvements, exclusive of
23 structures, on privately owned airports that qualify as reliever airports under the
24 National Plan of Integrated Airports System, to receive federal airport
25 improvement project funds through the Federal Aviation Administration. Real
26 property classified as forest croplands shall not be agricultural or horticultural
27 property so long as it is classified as forest croplands and shall be taxed in
28 accordance with the laws enacted to implement section 7 of article X of the
29 Missouri Constitution. Agricultural and horticultural property shall also include
30 any sawmill or planing mill defined in the U.S. Department of Labor's Standard
31 Industrial Classification (SIC) Manual under Industry Group 242 with the SIC
32 number 2421. **Agricultural and horticultural property shall further**
33 **include the real property of a vineyard and property used in**
34 **connection with the vineyard, including any building used for**
35 **processing or storing wine, if the building is part of premises**
36 **designated as a bonded winery by the Alcohol and Tobacco Tax and**
37 **Trade Bureau and the building is not used as an event facility, tasting**
38 **room, or restaurant;**

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

50 2. Pursuant to article X of the state constitution, any taxing district may
51 adjust its operating levy to recoup any loss of property tax revenue, except
52 revenues from the surtax imposed pursuant to article X, subsection 2 of section
53 6 of the constitution, as the result of changing the classification of structures
54 intended to be used for residential living by human occupants which contain five
55 or more dwelling units if such adjustment of the levy does not exceed the highest

56 tax rate in effect subsequent to the 1980 tax year. For purposes of this section,
57 loss in revenue shall include the difference between the revenue that would have
58 been collected on such property under its classification prior to enactment of this
59 section and the amount to be collected under its classification under this
60 section. The county assessor of each county or city not within a county shall
61 provide information to each taxing district within its boundaries regarding the
62 difference in assessed valuation of such property as the result of such change in
63 classification.

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

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

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

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

92 (7) Access of such property to public thoroughfares; and
93 (8) Any other factors relevant to a determination of the immediate most
94 suitable economic use of such property.

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

Unofficial ✓

Bill

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