

FIRST REGULAR SESSION

# SENATE JOINT RESOLUTION NO. 5

100TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR EIGEL.

Pre-filed December 1, 2018, and ordered printed.

ADRIANE D. CROUSE, Secretary.

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## JOINT RESOLUTION

Submitting to the qualified voters of Missouri, an amendment repealing sections 4(a), 4(b), 4(c), 6, and 12(a) of article X of the Constitution of Missouri, and adopting six new sections in lieu thereof relating to personal property taxes.

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*Be it resolved by the Senate, the House of Representatives concurring therein:*

That at the next general election to be held in the state of Missouri, on  
2 Tuesday next following the first Monday in November, 2020, or at a special  
3 election to be called by the governor for that purpose, there is hereby submitted  
4 to the qualified voters of this state, for adoption or rejection, the following  
5 amendment to article X of the Constitution of the state of Missouri:

Section A. Sections 4(a), 4(b), 4(c), 6, and 12(a), article X, Constitution of  
2 Missouri, are repealed and six new sections adopted in lieu thereof, to be known  
3 as sections 4(a), 4(b), 4(c), 4(e), 6, and 12(a), to read as follows:

Section 4(a). All taxable property shall be classified for tax purposes as  
2 follows: class 1, real property; class 2, [tangible personal property; class 3,]  
3 intangible personal property. The general assembly, by general law, may provide  
4 for further classification within [classes] **class 2** [and 3], based solely on the  
5 nature and characteristics of the property, and not on the nature, residence or  
6 business of the owner, or the amount owned. Nothing in this section shall  
7 prevent the taxing of franchises, privileges or incomes, or the levying of excise or  
8 motor vehicle license taxes, or any other taxes of the same or different types.

Section 4(b). Property in [classes] **class 1** [and 2] and subclasses of [those  
2 classes] **such class**, shall be assessed for tax purposes at its value or such  
3 percentage of its value as may be fixed by law for each class and for each  
4 subclass. Property in class [3] **2** and its subclasses shall be taxed only to the

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

5 extent authorized and at the rate fixed by law for each class and subclass, and  
6 the tax shall be based on the annual yield and shall not exceed eight percent  
7 thereof. Property in class 1 shall be subclassed in the following classifications:

- 8 (1) Residential property;
- 9 (2) Agricultural and horticultural property;
- 10 (3) Utility, industrial, commercial, railroad, and all other property not  
11 included in subclasses (1) and (2) of class 1.

12 Property in the subclasses of class 1 may be defined by law, however subclasses  
13 (1), (2), and (3) shall not be further divided, provided, land in subclass (2) may by  
14 general law be assessed for tax purposes on its productive capability. The same  
15 percentage of value shall be applied to all properties within any subclass. No  
16 classes or subclass shall have a percentage of its true value in money in excess  
17 of thirty-three and one-third percent.

Section 4(c). All taxes on property in class [3] 2 and its subclasses, and  
2 the tax under any other form of taxation substituted by the general assembly for  
3 the tax on bank shares, shall be assessed, levied and collected by the state and  
4 returned as provided by law, less two percent for collection, to the counties and  
5 other political subdivisions of their origin, in proportion to the respective local  
6 rates of levy.

**Section 4(e). No county or other political subdivision shall be  
2 authorized to levy or collect a tax on tangible personal property.**

Section 6. [1.] All property[, real and personal,] of the state, counties and  
2 other political subdivisions, and nonprofit cemeteries, and all real property used  
3 as a homestead as defined by law of any citizen of this state who is a former  
4 prisoner of war, as defined by law, and who has a total service-connected  
5 disability, shall be exempt from taxation; [all personal property held as industrial  
6 inventories, including raw materials, work in progress and finished work on hand,  
7 by manufacturers and refiners, and all personal property held as goods, wares,  
8 merchandise, stock in trade or inventory for resale by distributors, wholesalers,  
9 or retail merchants or establishments shall be exempt from taxation;] and all  
10 property[, real and personal,] not held for private or corporate profit and used  
11 exclusively for religious worship, for schools and colleges, for purposes purely  
12 charitable, for agricultural and horticultural societies, or for veterans'  
13 organizations may be exempted from taxation by general law. In addition to the  
14 above, household goods, furniture, wearing apparel and articles of personal use  
15 and adornment owned and used by a person in his home or dwelling place may

16 be exempt from taxation by general law but any such law may provide for  
17 approximate restitution to the respective political subdivisions of revenues lost  
18 by reason of the exemption. All laws exempting from taxation property other  
19 than the property enumerated in this article, shall be void. [The provisions of  
20 this section exempting certain personal property of manufacturers, refiners,  
21 distributors, wholesalers, and retail merchants and establishments from taxation  
22 shall become effective, unless otherwise provided by law, in each county on  
23 January 1 of the year in which that county completes its first general  
24 reassessment as defined by law.

25         2. All revenues lost because of the exemption of certain personal property  
26 of manufacturers, refiners, distributors, wholesalers, and retail merchants and  
27 establishments shall be replaced to each taxing authority within a county from  
28 a countywide tax hereby imposed on all property in subclass 3 of class 1 in each  
29 county. For the year in which the exemption becomes effective, the county clerk  
30 shall calculate the total revenue lost by all taxing authorities in the county and  
31 extend upon all property in subclass 3 of class 1 within the county, a tax at the  
32 rate necessary to produce that amount. The rate of tax levied in each county  
33 according to this subsection shall not be increased above the rate first imposed  
34 and will stand levied at that rate unless later reduced according to the provisions  
35 of subsection 3. The county collector shall disburse the proceeds according to the  
36 revenue lost by each taxing authority because of the exemption of such property  
37 in that county. Restitution of the revenues lost by any taxing district contained  
38 in more than one county shall be from the several counties according to the  
39 revenue lost because of the exemption of property in each county. Each year after  
40 the first year the replacement tax is imposed, the amount distributed to each  
41 taxing authority in a county shall be increased or decreased by an amount equal  
42 to the amount resulting from the change in that district's total assessed value of  
43 property in subclass 3 of class 1 at the countywide replacement tax rate. In order  
44 to implement the provisions of this subsection, the limits set in section 11(b) of  
45 this article may be exceeded, without voter approval, if necessary to allow each  
46 county listed in section 11(b) to comply with this subsection.

47         3. Any increase in the tax rate imposed pursuant to subsection 2 of this  
48 section shall be decreased if such decrease is approved by a majority of the voters  
49 of the county voting on such decrease. A decrease in the increased tax rate  
50 imposed under subsection 2 of this section may be submitted to the voters of a  
51 county by the governing body thereof upon its own order, ordinance, or resolution

52 and shall be submitted upon the petition of at least eight percent of the qualified  
53 voters who voted in the immediately preceding gubernatorial election.

54 4. As used in this section, the terms "revenues lost" and "lost revenues"  
55 shall mean that revenue which each taxing authority received from the imposition  
56 of a tangible personal property tax on all personal property held as industrial  
57 inventories, including raw materials, work in progress and finished work on hand,  
58 by manufacturers and refiners, and all personal property held as goods, wares,  
59 merchandise, stock in trade or inventory for resale by distributors, wholesalers,  
60 or retail merchants or establishments in the last full tax year immediately  
61 preceding the effective date of the exemption from taxation granted for such  
62 property under subsection 1 of this section, and which was no longer received  
63 after such exemption became effective].

Section 12(a). In addition to the rates authorized in section 11 for county  
2 purposes, the county court in the several counties not under township  
3 organization, the township board of directors in the counties under township  
4 organization, and the proper administrative body in counties adopting an  
5 alternative form of government, may levy an additional tax, not exceeding fifty  
6 cents on each hundred dollars assessed valuation, all of such tax to be collected  
7 and turned in to the county treasury to be used for road and bridge purposes;  
8 provided that, before any such county may increase its tax levy for road and  
9 bridge purposes above thirty-five cents it must submit such increase to the  
10 qualified voters of that county at a general or special election and receive the  
11 approval of a majority of the voters voting on such increase. In addition to the  
12 above levy for road and bridge purposes, it shall be the duty of the county court,  
13 when so authorized by a majority of the qualified electors of any road district,  
14 general or special, voting thereon at an election held for such purpose, to make  
15 an additional levy of not to exceed thirty-five cents on the hundred dollars  
16 assessed valuation on all taxable real [and tangible personal] property within  
17 such district, to be collected in the same manner as state and county taxes, and  
18 placed to the credit of the road district authorizing such levy, such election to be  
19 called and held in the manner provided by law provided that the general  
20 assembly may require by law that the rates authorized herein may be reduced.

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