

SECOND REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR

**SENATE BILLS NOS. 675 & 705**  
**100TH GENERAL ASSEMBLY**

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Reported from the Committee on Ways and Means, February 20, 2020, with recommendation that the Senate Committee Substitute do pass.

ADRIANE D. CROUSE, Secretary.

3176S.05C

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**AN ACT**

To repeal section 137.115, RSMo, and to enact in lieu thereof one new section relating to property tax assessments.

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

Section A. Section 137.115, RSMo, is repealed and one new section  
2 enacted in lieu thereof, to be known as section 137.115, 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  
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

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

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, **provided that no real**  
27 **residential property shall be assessed at a value that exceeds the**  
28 **previous assessed value for such property, exclusive of new**  
29 **construction and improvements, by more than the percentage increase**  
30 **in the consumer price index or five percent, whichever is greater.** The  
31 assessor may call at the office, place of doing business, or residence of each  
32 person required by this chapter to list property, and require the person to make  
33 a correct statement of all taxable tangible personal property owned by the person  
34 or under his or her care, charge or management, taxable in the county. On or  
35 before January first of each even-numbered year, the assessor shall prepare and  
36 submit a two-year assessment maintenance plan to the county governing body  
37 and the state tax commission for their respective approval or modification. The  
38 county governing body shall approve and forward such plan or its alternative to  
39 the plan to the state tax commission by February first. If the county governing  
40 body fails to forward the plan or its alternative to the plan to the state tax  
41 commission by February first, the assessor's plan shall be considered approved  
42 by the county governing body. If the state tax commission fails to approve a plan  
43 and if the state tax commission and the assessor and the governing body of the  
44 county involved are unable to resolve the differences, in order to receive state  
45 cost-share funds outlined in section 137.750, the county or the assessor shall  
46 petition the administrative hearing commission, by May first, to decide all  
47 matters in dispute regarding the assessment maintenance plan. Upon agreement  
48 of the parties, the matter may be stayed while the parties proceed with mediation  
49 or arbitration upon terms agreed to by the parties. The final decision of the  
50 administrative hearing commission shall be subject to judicial review in the  
51 circuit court of the county involved. In the event a valuation of subclass (1) real  
52 property within any county with a charter form of government, or within a city  
53 not within a county, is made by a computer, computer-assisted method or a  
54 computer program, the burden of proof, supported by clear, convincing and cogent

55 evidence to sustain such valuation, shall be on the assessor at any hearing or  
56 appeal. In any such county, unless the assessor proves otherwise, there shall be  
57 a presumption that the assessment was made by a computer, computer-assisted  
58 method or a computer program. Such evidence shall include, but shall not be  
59 limited to, the following:

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

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

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

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

72 2. Assessors in each county of this state and the City of St. Louis may  
73 send personal property assessment forms through the mail.

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

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

79 (2) Livestock, twelve percent;

80 (3) Farm machinery, twelve percent;

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

86 (5) Poultry, twelve percent; and

87 (6) Tools and equipment used for pollution control and tools and  
88 equipment used in retooling for the purpose of introducing new product lines or  
89 used for making improvements to existing products by any company which is  
90 located in a state enterprise zone and which is identified by any standard

91 industrial classification number cited in subdivision [(5)] (7) of section 135.200,  
92 twenty-five percent.

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

97 5. (1) All subclasses of real property, as such subclasses are established  
98 in Section 4(b) of Article X of the Missouri Constitution and defined in section  
99 137.016, shall be assessed at the following percentages of true value:

- 100 (a) For real property in subclass (1), nineteen percent;  
101 (b) For real property in subclass (2), twelve percent; and  
102 (c) For real property in subclass (3), thirty-two percent.

103 (2) A taxpayer may apply to the county assessor, or, if not located within  
104 a county, then the assessor of such city, for the reclassification of such taxpayer's  
105 real property if the use or purpose of such real property is changed after such  
106 property is assessed under the provisions of this chapter. If the assessor  
107 determines that such property shall be reclassified, he or she shall determine the  
108 assessment under this subsection based on the percentage of the tax year that  
109 such property was classified in each subclassification.

110 6. Manufactured homes, as defined in section 700.010, which are actually  
111 used as dwelling units shall be assessed at the same percentage of true value as  
112 residential real property for the purpose of taxation. The percentage of  
113 assessment of true value for such manufactured homes shall be the same as for  
114 residential real property. If the county collector cannot identify or find the  
115 manufactured home when attempting to attach the manufactured home for  
116 payment of taxes owed by the manufactured home owner, the county collector  
117 may request the county commission to have the manufactured home removed from  
118 the tax books, and such request shall be granted within thirty days after the  
119 request is made; however, the removal from the tax books does not remove the tax  
120 lien on the manufactured home if it is later identified or found. For purposes of  
121 this section, a manufactured home located in a manufactured home rental park,  
122 rental community or on real estate not owned by the manufactured home owner  
123 shall be considered personal property. For purposes of this section, a  
124 manufactured home located on real estate owned by the manufactured home  
125 owner may be considered real property.

126 7. Each manufactured home assessed shall be considered a parcel for the

127 purpose of reimbursement pursuant to section 137.750, unless the manufactured  
128 home is real estate as defined in subsection 7 of section 442.015 and assessed as  
129 a realty improvement to the existing real estate parcel.

130 8. Any amount of tax due and owing based on the assessment of a  
131 manufactured home shall be included on the personal property tax statement of  
132 the manufactured home owner unless the manufactured home is real estate as  
133 defined in subsection 7 of section 442.015, in which case the amount of tax due  
134 and owing on the assessment of the manufactured home as a realty improvement  
135 to the existing real estate parcel shall be included on the real property tax  
136 statement of the real estate owner.

137 9. The assessor of each county and each city not within a county shall use  
138 the trade-in value published in the October issue of the National Automobile  
139 Dealers' Association Official Used Car Guide, or its successor publication, as the  
140 recommended guide of information for determining the true value of motor  
141 vehicles described in such publication. The assessor shall not use a value that  
142 is greater than the average trade-in value in determining the true value of the  
143 motor vehicle without performing a physical inspection of the motor vehicle. For  
144 vehicles two years old or newer from a vehicle's model year, the assessor may use  
145 a value other than average without performing a physical inspection of the motor  
146 vehicle. In the absence of a listing for a particular motor vehicle in such  
147 publication, the assessor shall use such information or publications which in the  
148 assessor's judgment will fairly estimate the true value in money of the motor  
149 vehicle.

150 10. Before the assessor may increase the assessed valuation of any parcel  
151 of subclass (1) real property by more than **[fifteen] five** percent since the last  
152 assessment, excluding increases due to new construction or improvements, the  
153 assessor shall conduct a physical inspection of such property.

154 11. If a physical inspection is required, pursuant to subsection 10 of this  
155 section, the assessor shall notify the property owner of that fact in writing and  
156 shall provide the owner clear written notice of the owner's rights relating to the  
157 physical inspection. If a physical inspection is required, the property owner may  
158 request that an interior inspection be performed during the physical  
159 inspection. The owner shall have no less than thirty days to notify the assessor  
160 of a request for an interior physical inspection.

161 12. A physical inspection, as required by subsection 10 of this section,  
162 shall include, but not be limited to, an on-site personal observation and review

163 of all exterior portions of the land and any buildings and improvements to which  
164 the inspector has or may reasonably and lawfully gain external access, and shall  
165 include an observation and review of the interior of any buildings or  
166 improvements on the property upon the timely request of the owner pursuant to  
167 subsection 11 of this section. Mere observation of the property via a drive-by  
168 inspection or the like shall not be considered sufficient to constitute a physical  
169 inspection as required by this section.

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

173           14. A county or city collector may accept credit cards as proper form of  
174 payment of outstanding property tax or license due. No county or city collector  
175 may charge surcharge for payment by credit card which exceeds the fee or  
176 surcharge charged by the credit card bank, processor, or issuer for its service. A  
177 county or city collector may accept payment by electronic transfers of funds in  
178 payment of any tax or license and charge the person making such payment a fee  
179 equal to the fee charged the county by the bank, processor, or issuer of such  
180 electronic payment.

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

199 assembly, second regular session. A governing body of a city not within a county  
200 or a county that has opted out under the provisions of this subsection may choose  
201 to implement the provisions of this section and sections 137.073, 138.060, and  
202 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly,  
203 second regular session, and section 137.073 as modified by house committee  
204 substitute for senate substitute for senate committee substitute for senate bill no.  
205 960, ninety-second general assembly, second regular session, for the next year of  
206 general reassessment, by an affirmative vote of the governing body prior to  
207 December thirty-first of any year.

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

216           17. Any portion of real property that is available as reserve for strip,  
217 surface, or coal mining for minerals for purposes of excavation for future use or  
218 sale to others that has not been bonded and permitted under chapter 444 shall  
219 be assessed based upon how the real property is currently being used. Any  
220 information provided to a county assessor, state tax commission, state agency, or  
221 political subdivision responsible for the administration of tax policies shall, in the  
222 performance of its duties, make available all books, records, and information  
223 requested, except such books, records, and information as are by law declared  
224 confidential in nature, including individually identifiable information regarding  
225 a specific taxpayer or taxpayer's mine property. For purposes of this subsection,  
226 "mine property" shall mean all real property that is in use or readily available as  
227 a reserve for strip, surface, or coal mining for minerals for purposes of excavation  
228 for current or future use or sale to others that has been bonded and permitted  
229 under chapter 444.

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