

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 676

100TH GENERAL ASSEMBLY

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

3183S.02C

ADRIANE D. CROUSE, Secretary.

AN ACT

To repeal sections 137.115, 137.180, 137.275, 137.355, 137.385, 138.060, and 138.090, RSMo, and to enact in lieu thereof seven new sections relating to property tax assessments.

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

Section A. Sections 137.115, 137.180, 137.275, 137.355, 137.385, 138.060, 2 and 138.090, RSMo, are repealed and seven new sections enacted in lieu thereof, 3 to be known as sections 137.115, 137.180, 137.275, 137.355, 137.385, 138.060, and 4 138.090, to read as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,

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

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
69 send 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 (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. (1) All subclasses of real property, as such subclasses are established
94 in 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 (a) For real property in subclass (1), nineteen percent;

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

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

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

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

122 7. Each manufactured home assessed shall be considered a parcel for the
123 purpose of reimbursement pursuant to section 137.750, unless the manufactured

124 home is real estate as defined in subsection 7 of section 442.015 and assessed as
125 a realty improvement to the existing real estate parcel.

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

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

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

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

157 12. A physical inspection, as required by subsection 10 of this section,
158 shall include, but not be limited to, an on-site personal observation and review
159 of all exterior portions of the land and any buildings and improvements to which

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

166 13. [The provisions of subsections 11 and 12 of this section shall only
167 apply in any county with a charter form of government with more than one
168 million inhabitants.

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

177 [15.] 14. Any county or city not within a county in this state may, by an
178 affirmative vote of the governing body of such county, opt out of the provisions of
179 this section and sections 137.073, 138.060, and 138.100 as enacted by house bill
180 no. 1150 of the ninety-first general assembly, second regular session and section
181 137.073 as modified by house committee substitute for senate substitute for
182 senate committee substitute for senate bill no. 960, ninety-second general
183 assembly, second regular session, for the next year of the general reassessment,
184 prior to January first of any year. No county or city not within a county shall
185 exercise this opt-out provision after implementing the provisions of this section
186 and sections 137.073, 138.060, and 138.100 as enacted by house bill no. 1150 of
187 the ninety-first general assembly, second regular session and section 137.073 as
188 modified by house committee substitute for senate substitute for senate
189 committee substitute for senate bill no. 960, ninety-second general assembly,
190 second regular session, in a year of general reassessment. For the purposes of
191 applying the provisions of this subsection, a political subdivision contained within
192 two or more counties where at least one of such counties has opted out and at
193 least one of such counties has not opted out shall calculate a single tax rate as
194 in effect prior to the enactment of house bill no. 1150 of the ninety-first general
195 assembly, second regular session. A governing body of a city not within a county

196 or a county that has opted out under the provisions of this subsection may choose
197 to implement the provisions of this section and sections 137.073, 138.060, and
198 138.100 as enacted by house bill no. 1150 of the ninety-first general assembly,
199 second regular session, and section 137.073 as modified by house committee
200 substitute for senate substitute for senate committee substitute for senate bill no.
201 960, ninety-second general assembly, second regular session, for the next year of
202 general reassessment, by an affirmative vote of the governing body prior to
203 December thirty-first of any year.

204 [16.] 15. The governing body of any city of the third classification with
205 more than twenty-three hundred but fewer than twenty-six
206 thousand seven hundred inhabitants located in any county that has exercised its
207 authority to opt out under subsection [15] 14 of this section may levy separate
208 and differing tax rates for real and personal property only if such city bills and
209 collects its own property taxes or satisfies the entire cost of the billing and
210 collection of such separate and differing tax rates. Such separate and differing
211 rates shall not exceed such city's tax rate ceiling.

212 [17.] 16. Any portion of real property that is available as reserve for
213 strip, surface, or coal mining for minerals for purposes of excavation for future
214 use or sale to others that has not been bonded and permitted under chapter 444
215 shall be assessed based upon how the real property is currently being used. Any
216 information provided to a county assessor, state tax commission, state agency, or
217 political subdivision responsible for the administration of tax policies shall, in the
218 performance of its duties, make available all books, records, and information
219 requested, except such books, records, and information as are by law declared
220 confidential in nature, including individually identifiable information regarding
221 a specific taxpayer or taxpayer's mine property. For purposes of this subsection,
222 "mine property" shall mean all real property that is in use or readily available as
223 a reserve for strip, surface, or coal mining for minerals for purposes of excavation
224 for current or future use or sale to others that has been bonded and permitted
225 under chapter 444.

137.180. 1. Whenever any assessor shall increase the valuation of any
2 real property he shall forthwith notify the record owner of such increase, either
3 in person, or by mail directed to the last known address; every such increase in
4 assessed valuation made by the assessor shall be subject to review by the county
5 board of equalization whereat the landowner shall be entitled to be heard, and
6 the notice to the landowner shall so state.

7 2. Effective January 1, 2009, for all counties with a charter form of
8 government, other than any county adopting a charter form of government after
9 January 1, 2008, whenever any assessor shall increase the valuation of any real
10 property, he or she shall forthwith notify the record owner on or before June
11 [fifteenth] **first** of such increase and, in a year of general reassessment, the
12 county shall notify the record owner of the projected tax liability likely to result
13 from such an increase, either in person, or by mail directed to the last known
14 address; every such increase in assessed valuation made by the assessor shall be
15 subject to review by the county board of equalization whereat the landowner shall
16 be entitled to be heard, and the notice to the landowner shall so state. Notice of
17 the projected tax liability from the county shall accompany the notice of increased
18 valuation from the assessor.

19 3. For all calendar years prior to the first day of January of the year
20 following receipt of software necessary for the implementation of the
21 requirements provided under subsections 4 and 5 of this section from the state
22 tax commission, for any county not subject to the provisions of subsection 2 of this
23 section or subsection 2 of section 137.355, whenever any assessor shall increase
24 the valuation of any real property, he or she shall forthwith notify the record
25 owner on or before June [fifteenth] **first** of the previous assessed value and such
26 increase either in person, or by mail directed to the last known address and
27 include in such notice a statement indicating that the change in assessed value
28 may impact the record owner's tax liability and provide all processes and
29 deadlines for appealing determinations of the assessed value of such
30 property. Such notice shall be provided in a font and format sufficient to alert
31 a record owner of the potential impact upon tax liability and the appellate
32 processes available.

33 4. Effective January first of the year following receipt of software
34 necessary for the implementation of the requirements provided under this
35 subsection and subsection 5 of this section from the state tax commission, for all
36 counties not subject to the provisions of subsection 2 of this section or subsection
37 2 of section 137.355, whenever any assessor shall increase the valuation of any
38 real property, he or she shall forthwith notify the record owner on or before June
39 [fifteenth] **first** of such increase and, in a year of general reassessment, the
40 county shall notify the record owner of the projected tax liability likely to result
41 from such an increase, either in person, or by mail directed to the last known
42 address; every such increase in assessed valuation made by the assessor shall be

43 subject to review by the county board of equalization whereat the landowner shall
44 be entitled to be heard, and the notice to the landowner shall so state. Notice of
45 the projected tax liability from the county shall accompany the notice of increased
46 valuation from the assessor.

47 5. The notice of projected tax liability, required under subsections 2 and
48 4 of this section, from the county shall include:

49 (1) The record owner's name, address, and the parcel number of the
50 property;

51 (2) A list of all political subdivisions levying a tax upon the property of
52 the record owner;

53 (3) The projected tax rate for each political subdivision levying a tax upon
54 the property of the record owner, and the purpose for each levy of such political
55 subdivisions;

56 (4) The previous year's tax rates for each individual tax levy imposed by
57 each political subdivision levying a tax upon the property of the record owner;

58 (5) The tax rate ceiling for each levy imposed by each political subdivision
59 levying a tax upon the property of the record owner;

60 (6) The contact information for each political subdivision levying a tax
61 upon the property of the record owner;

62 (7) A statement identifying any projected tax rates for political
63 subdivisions levying a tax upon the property of the record owner, which were not
64 calculated and provided by the political subdivision levying the tax; and

65 (8) The total projected property tax liability of the taxpayer.

66 6. In addition to the requirements provided under subsections 1, 2, and
67 5 of this section, effective January 1, 2011, in any county with a charter form of
68 government and with more than one million inhabitants, whenever any assessor
69 shall notify a record owner of any change in assessed value, such assessor shall
70 provide notice that information regarding the assessment method and
71 computation of value for such property is available on the assessor's website and
72 provide the exact website address at which such information may be
73 accessed. Such notification shall provide the assessor's contact information to
74 enable taxpayers without internet access to request and receive information
75 regarding the assessment method and computation of value for such property.

137.275. Every person who thinks himself aggrieved by the assessment
2 of his property may appeal to the county board of equalization, in person, by
3 attorney or agent, or in writing. Such appeals shall be lodged with the county

4 board of equalization on or before the [second] **first** Monday in July.

137.355. 1. If an assessor increases the valuation of any tangible personal
2 property as estimated in the itemized list furnished to the assessor, and if an
3 assessor increases the valuation of any real property, he shall forthwith notify the
4 record owner of the increase either in person or by mail directed to the last
5 known address, and if the address of the owner is unknown notice shall be given
6 by publication in two newspapers published in the county.

7 2. For all calendar years prior to the first day of January of the year
8 following receipt of software necessary for the implementation of the
9 requirements provided under subsections 3 and 4 of this section from the state
10 tax commission, whenever any assessor shall increase the valuation of any real
11 property, he or she shall forthwith notify the record owner on or before June
12 [fifteenth] **first** of the previous assessed value and such increase either in person,
13 or by mail directed to the last known address and include on the face of such
14 notice, in no less than twelve-point font, the following statement:

15 NOTICE TO TAXPAYER: IF YOUR ASSESSED VALUE HAS
16 INCREASED, IT MAY INCREASE YOUR REAL PROPERTY
17 TAXES WHICH ARE DUE DECEMBER THIRTY-FIRST. IF YOU
18 DO NOT AGREE THAT THE VALUE OF YOUR PROPERTY HAS
19 INCREASED, YOU MUST CHALLENGE THE VALUE ON OR
20 BEFORE _____ (INSERT DATE BY WHICH APPEAL MUST BE
21 FILED) BY CONTACTING YOUR COUNTY ASSESSOR.

22 3. Effective January first of the year following receipt of software
23 necessary for the implementation of the requirements provided under this
24 subsection and subsection 4 of this section from the state tax commission, if an
25 assessor increases the valuation of any real property, the assessor, on or before
26 June [fifteenth] **first**, shall notify the record owner of the increase and, in a year
27 of general reassessment, the county shall notify the record owner of the projected
28 tax liability likely to result from such an increase either in person or by mail
29 directed to the last known address, and, if the address of the owner is unknown,
30 notice shall be given by publication in two newspapers published in the
31 county. Notice of the projected tax liability from the county shall accompany the
32 notice of increased valuation from the assessor.

33 4. The notice of projected tax liability, required under subsection 3 of this
34 section, from the county shall include:

35 (1) Record owner's name, address, and the parcel number of the property;

36 (2) A list of all political subdivisions levying a tax upon the property of
37 the record owner;

38 (3) The projected tax rate for each political subdivision levying a tax upon
39 the property of the record owner, and the purpose for each levy of such political
40 subdivisions;

41 (4) The previous year's tax rates for each individual tax levy imposed by
42 each political subdivision levying a tax upon the property of the record owner;

43 (5) The tax rate ceiling for each levy imposed by each political subdivision
44 levying a tax upon the property of the record owner;

45 (6) The contact information for each political subdivision levying a tax
46 upon the property of the record owner;

47 (7) A statement identifying any projected tax rates for political
48 subdivisions levying a tax upon the property of the record owner, which were not
49 calculated and provided by the political subdivision levying the tax; and

50 (8) The total projected property tax liability of the taxpayer.

137.385. Any person aggrieved by the assessment of his property may
2 appeal to the county board of equalization. An appeal shall be in writing and the
3 forms to be used for this purpose shall be furnished by the county clerk. Such
4 appeal shall be lodged with the county clerk as secretary of the board of
5 equalization before the ~~[third]~~ **first** Monday in ~~[June]~~ **July**; provided, that the
6 board may in its discretion extend the time for filing such appeals.

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
5 charter form of government with a population greater than two hundred eighty
6 thousand inhabitants but less than two hundred eighty-five thousand inhabitants,
7 and in any county with a charter form of government with greater than one
8 million inhabitants, and in any city not within a county,] **and** the assessor shall
9 have the burden to prove that the assessor's valuation does not exceed the true
10 market value of the subject property. [In such county or city,] In the event a
11 physical inspection of the subject property is required by subsection 10 of section
12 137.115, the assessor shall have the burden to establish the manner in which the
13 physical inspection was performed and shall have the burden to prove that the
14 physical inspection was performed in accordance with section 137.115. [In such
15 county or city,] In the event the assessor fails to provide sufficient evidence to

16 establish that the physical inspection was performed in accordance with section
17 137.115, the property owner shall prevail on the appeal as a matter of law. At
18 any hearing before the state tax commission or a court of competent jurisdiction
19 of an appeal of assessment [from a first class charter county or a city not within
20 a county], the assessor shall not advocate nor present evidence advocating a
21 valuation higher than that value finally determined by the assessor or the value
22 determined by the board of equalization, whichever is higher, for that assessment
23 period.

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

138.090. 1. Except as provided in subsection 2 of this section, the county
2 board of equalization in first class counties shall meet on the [first] **third**
3 Monday in July of each year.

4 2. Upon a finding by the board that it is necessary in order to fairly hear
5 all cases arising from a general reassessment, the board may begin meeting after
6 July first in any applicable year to timely consider any appeal or complaint
7 resulting from an evaluation made during a general reassessment of all taxable
8 real property and possessory interests in the county. There shall be no
9 presumption that the assessor's valuation is correct.

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