

SENATE SUBSTITUTE  
FOR  
SENATE COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 649  
AN ACT

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

---

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Section A. Section 137.115, RSMo, is repealed and one new  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

137.115. 1. All other laws to the contrary  
2 notwithstanding, the assessor or the assessor's deputies in  
3 all counties of this state including the City of St. Louis  
4 shall annually make a list of all real and tangible personal  
5 property taxable in the assessor's city, county, town or  
6 district. Except as otherwise provided in subsection 3 of  
7 this section and section 137.078, the assessor shall  
8 annually assess all personal property at thirty-three and  
9 one-third percent of its true value in money as of January  
10 first of each calendar year. Beginning January 1, 2023, in  
11 any county with more than four hundred thousand but fewer  
12 than five hundred thousand inhabitants, all personal  
13 property in such county shall be annually assessed at a  
14 percent of its true value in money as of January first of  
15 each calendar year as follows:

16 (1) A political subdivision shall annually reduce the  
17 percentage of true value in money at which personal property  
18 is assessed pursuant to this subsection such that the amount  
19 by which the revenue generated by taxes levied on such

20 personal property is substantially equal to one hundred  
21 percent of the growth in revenue generated by real property  
22 assessment growth. Annual reductions shall be made pursuant  
23 to this subdivision until December 31, 2075. Thereafter,  
24 the percentage of true value in money at which personal  
25 property is assessed shall be equal to the percentage in  
26 effect on December 31, 2075.

27 (2) The provisions of subdivision (1) of this  
28 subsection shall not be construed to relieve a political  
29 subdivision from adjustments to property tax levies as  
30 required by section 137.073.

31 (3) For the purposes of subdivision (1) of this  
32 subsection, "real property assessment growth" shall mean the  
33 growth in revenue from increases in the total assessed  
34 valuation of all real property in a political subdivision  
35 over the revenue generated from the assessed valuation of  
36 such real property from the previous calendar year. Real  
37 property assessment growth shall not include any revenue in  
38 excess of the percent increase in the consumer price index,  
39 as described in subsection 2 of section 137.073.

40 (4) Notwithstanding the provisions of subdivisions (1)  
41 to (4) of this subsection to the contrary, for the purposes  
42 of the tax levied pursuant to Article III, Section 38(b) of  
43 the Missouri Constitution, all personal property shall be  
44 assessed at thirty-three and one-third percent of its true  
45 value in money as of January first of each calendar year.

46 2. The assessor shall annually assess all real  
47 property, including any new construction and improvements to  
48 real property, and possessory interests in real property at  
49 the percent of its true value in money set in subsection [5]  
50 6 of this section. The true value in money of any  
51 possessory interest in real property in subclass (3), where  
52 such real property is on or lies within the ultimate airport

53 boundary as shown by a federal airport layout plan, as  
54 defined by 14 CFR 151.5, of a commercial airport having a  
55 FAR Part 139 certification and owned by a political  
56 subdivision, shall be the otherwise applicable true value in  
57 money of any such possessory interest in real property, less  
58 the total dollar amount of costs paid by a party, other than  
59 the political subdivision, towards any new construction or  
60 improvements on such real property completed after January  
61 1, 2008, and which are included in the above-mentioned  
62 possessory interest, regardless of the year in which such  
63 costs were incurred or whether such costs were considered in  
64 any prior year. The assessor shall annually assess all real  
65 property in the following manner: new assessed values shall  
66 be determined as of January first of each odd-numbered year  
67 and shall be entered in the assessor's books; those same  
68 assessed values shall apply in the following even-numbered  
69 year, except for new construction and property improvements  
70 which shall be valued as though they had been completed as  
71 of January first of the preceding odd-numbered year. The  
72 assessor may call at the office, place of doing business, or  
73 residence of each person required by this chapter to list  
74 property, and require the person to make a correct statement  
75 of all taxable tangible personal property owned by the  
76 person or under his or her care, charge or management,  
77 taxable in the county. On or before January first of each  
78 even-numbered year, the assessor shall prepare and submit a  
79 two-year assessment maintenance plan to the county governing  
80 body and the state tax commission for their respective  
81 approval or modification. The county governing body shall  
82 approve and forward such plan or its alternative to the plan  
83 to the state tax commission by February first. If the  
84 county governing body fails to forward the plan or its  
85 alternative to the plan to the state tax commission by

86 February first, the assessor's plan shall be considered  
87 approved by the county governing body. If the state tax  
88 commission fails to approve a plan and if the state tax  
89 commission and the assessor and the governing body of the  
90 county involved are unable to resolve the differences, in  
91 order to receive state cost-share funds outlined in section  
92 137.750, the county or the assessor shall petition the  
93 administrative hearing commission, by May first, to decide  
94 all matters in dispute regarding the assessment maintenance  
95 plan. Upon agreement of the parties, the matter may be  
96 stayed while the parties proceed with mediation or  
97 arbitration upon terms agreed to by the parties. The final  
98 decision of the administrative hearing commission shall be  
99 subject to judicial review in the circuit court of the  
100 county involved. In the event a valuation of subclass (1)  
101 real property within any county with a charter form of  
102 government, or within a city not within a county, is made by  
103 a computer, computer-assisted method or a computer program,  
104 the burden of proof, supported by clear, convincing and  
105 cogent evidence to sustain such valuation, shall be on the  
106 assessor at any hearing or appeal. In any such county,  
107 unless the assessor proves otherwise, there shall be a  
108 presumption that the assessment was made by a computer,  
109 computer-assisted method or a computer program. Such  
110 evidence shall include, but shall not be limited to, the  
111 following:

112 (1) The findings of the assessor based on an appraisal  
113 of the property by generally accepted appraisal techniques;  
114 and

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

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

121 (b) Such properties are not more than one mile from  
122 the site of the disputed property, except where no similar  
123 properties exist within one mile of the disputed property,  
124 the nearest comparable property shall be used. Such  
125 property shall be within five hundred square feet in size of  
126 the disputed property, and resemble the disputed property in  
127 age, floor plan, number of rooms, and other relevant  
128 characteristics.

129 [2.] 3. Assessors in each county of this state and the  
130 City of St. Louis may send personal property assessment  
131 forms through the mail.

132 [3.] 4. The following items of personal property shall  
133 each constitute separate subclasses of tangible personal  
134 property and shall be assessed and valued for the purposes  
135 of taxation at the following percentages of their true value  
136 in money:

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

139 (2) Livestock, twelve percent;

140 (3) Farm machinery, twelve percent;

141 (4) Motor vehicles which are eligible for registration  
142 as and are registered as historic motor vehicles pursuant to  
143 section 301.131 and aircraft which are at least twenty-five  
144 years old and which are used solely for noncommercial  
145 purposes and are operated less than two hundred hours per  
146 year or aircraft that are home built from a kit, five  
147 percent;

148 (5) Poultry, twelve percent; and

149 (6) Tools and equipment used for pollution control and  
150 tools and equipment used in retooling for the purpose of  
151 introducing new product lines or used for making

152 improvements to existing products by any company which is  
153 located in a state enterprise zone and which is identified  
154 by any standard industrial classification number cited in  
155 subdivision (7) of section 135.200, twenty-five percent.

156 [4.] 5. The person listing the property shall enter a  
157 true and correct statement of the property, in a printed  
158 blank prepared for that purpose. The statement, after being  
159 filled out, shall be signed and either affirmed or sworn to  
160 as provided in section 137.155. The list shall then be  
161 delivered to the assessor.

162 [5.] 6. (1) All subclasses of real property, as such  
163 subclasses are established in Section 4(b) of Article X of  
164 the Missouri Constitution and defined in section 137.016,  
165 shall be assessed at the following percentages of true value:

166 (a) For real property in subclass (1), nineteen  
167 percent;

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

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

172 (2) A taxpayer may apply to the county assessor, or,  
173 if not located within a county, then the assessor of such  
174 city, for the reclassification of such taxpayer's real  
175 property if the use or purpose of such real property is  
176 changed after such property is assessed under the provisions  
177 of this chapter. If the assessor determines that such  
178 property shall be reclassified, he or she shall determine  
179 the assessment under this subsection based on the percentage  
180 of the tax year that such property was classified in each  
181 subclassification.

182 [6.] 7. Manufactured homes, as defined in section  
183 700.010, which are actually used as dwelling units shall be  
184 assessed at the same percentage of true value as residential

185 real property for the purpose of taxation. The percentage  
186 of assessment of true value for such manufactured homes  
187 shall be the same as for residential real property. If the  
188 county collector cannot identify or find the manufactured  
189 home when attempting to attach the manufactured home for  
190 payment of taxes owed by the manufactured home owner, the  
191 county collector may request the county commission to have  
192 the manufactured home removed from the tax books, and such  
193 request shall be granted within thirty days after the  
194 request is made; however, the removal from the tax books  
195 does not remove the tax lien on the manufactured home if it  
196 is later identified or found. For purposes of this section,  
197 a manufactured home located in a manufactured home rental  
198 park, rental community or on real estate not owned by the  
199 manufactured home owner shall be considered personal  
200 property. For purposes of this section, a manufactured home  
201 located on real estate owned by the manufactured home owner  
202 may be considered real property.

203 **[7.]** 8. Each manufactured home assessed shall be  
204 considered a parcel for the purpose of reimbursement  
205 pursuant to section 137.750, unless the manufactured home is  
206 deemed to be real estate as defined in subsection 7 of  
207 section 442.015 and assessed as a realty improvement to the  
208 existing real estate parcel.

209 **[8.]** 9. Any amount of tax due and owing based on the  
210 assessment of a manufactured home shall be included on the  
211 personal property tax statement of the manufactured home  
212 owner unless the manufactured home is deemed to be real  
213 estate as defined in subsection 7 of section 442.015, in  
214 which case the amount of tax due and owing on the assessment  
215 of the manufactured home as a realty improvement to the  
216 existing real estate parcel shall be included on the real  
217 property tax statement of the real estate owner.

218           [9.] 10. The assessor of each county and each city not  
219 within a county shall use the trade-in value published in  
220 the October issue of the National Automobile Dealers'  
221 Association Official Used Car Guide, or its successor  
222 publication, as the recommended guide of information for  
223 determining the true value of motor vehicles described in  
224 such publication. The assessor shall not use a value that  
225 is greater than the average trade-in value in determining  
226 the true value of the motor vehicle without performing a  
227 physical inspection of the motor vehicle. For vehicles two  
228 years old or newer from a vehicle's model year, the assessor  
229 may use a value other than average without performing a  
230 physical inspection of the motor vehicle. In the absence of  
231 a listing for a particular motor vehicle in such  
232 publication, the assessor shall use such information or  
233 publications which in the assessor's judgment will fairly  
234 estimate the true value in money of the motor vehicle.

235           [10.] 11. Before the assessor may increase the  
236 assessed valuation of any parcel of subclass (1) real  
237 property by more than fifteen percent since the last  
238 assessment, excluding increases due to new construction or  
239 improvements, the assessor shall conduct a physical  
240 inspection of such property.

241           [11.] 12. If a physical inspection is required,  
242 pursuant to subsection [10] 11 of this section, the assessor  
243 shall notify the property owner of that fact in writing and  
244 shall provide the owner clear written notice of the owner's  
245 rights relating to the physical inspection. If a physical  
246 inspection is required, the property owner may request that  
247 an interior inspection be performed during the physical  
248 inspection. The owner shall have no less than thirty days  
249 to notify the assessor of a request for an interior physical  
250 inspection.



251           [12.] 13. A physical inspection, as required by  
252 subsection [10] 11 of this section, shall include, but not  
253 be limited to, an on-site personal observation and review of  
254 all exterior portions of the land and any buildings and  
255 improvements to which the inspector has or may reasonably  
256 and lawfully gain external access, and shall include an  
257 observation and review of the interior of any buildings or  
258 improvements on the property upon the timely request of the  
259 owner pursuant to subsection [11] 12 of this section. Mere  
260 observation of the property via a drive-by inspection or the  
261 like shall not be considered sufficient to constitute a  
262 physical inspection as required by this section.

263           [13.] 14. A county or city collector may accept credit  
264 cards as proper form of payment of outstanding property tax  
265 or license due. No county or city collector may charge  
266 surcharge for payment by credit card which exceeds the fee  
267 or surcharge charged by the credit card bank, processor, or  
268 issuer for its service. A county or city collector may  
269 accept payment by electronic transfers of funds in payment  
270 of any tax or license and charge the person making such  
271 payment a fee equal to the fee charged the county by the  
272 bank, processor, or issuer of such electronic payment.

273           [14.] 15. Any county or city not within a county in  
274 this state may, by an affirmative vote of the governing body  
275 of such county, opt out of the provisions of this section  
276 and sections 137.073, 138.060, and 138.100 as enacted by  
277 house bill no. 1150 of the ninety-first general assembly,  
278 second regular session and section 137.073 as modified by  
279 house committee substitute for senate substitute for senate  
280 committee substitute for senate bill no. 960, ninety-second  
281 general assembly, second regular session, for the next year  
282 of the general reassessment, prior to January first of any  
283 year. No county or city not within a county shall exercise

284 this opt-out provision after implementing the provisions of  
285 this section and sections 137.073, 138.060, and 138.100 as  
286 enacted by house bill no. 1150 of the ninety-first general  
287 assembly, second regular session and section 137.073 as  
288 modified by house committee substitute for senate substitute  
289 for senate committee substitute for senate bill no. 960,  
290 ninety-second general assembly, second regular session, in a  
291 year of general reassessment. For the purposes of applying  
292 the provisions of this subsection, a political subdivision  
293 contained within two or more counties where at least one of  
294 such counties has opted out and at least one of such  
295 counties has not opted out shall calculate a single tax rate  
296 as in effect prior to the enactment of house bill no. 1150  
297 of the ninety-first general assembly, second regular  
298 session. A governing body of a city not within a county or  
299 a county that has opted out under the provisions of this  
300 subsection may choose to implement the provisions of this  
301 section and sections 137.073, 138.060, and 138.100 as  
302 enacted by house bill no. 1150 of the ninety-first general  
303 assembly, second regular session, and section 137.073 as  
304 modified by house committee substitute for senate substitute  
305 for senate committee substitute for senate bill no. 960,  
306 ninety-second general assembly, second regular session, for  
307 the next year of general reassessment, by an affirmative  
308 vote of the governing body prior to December thirty-first of  
309 any year.

310 [15.] 16. The governing body of any city of the third  
311 classification with more than twenty-six thousand three  
312 hundred but fewer than twenty-six thousand seven hundred  
313 inhabitants located in any county that has exercised its  
314 authority to opt out under subsection [14] 15 of this  
315 section may levy separate and differing tax rates for real  
316 and personal property only if such city bills and collects

317 its own property taxes or satisfies the entire cost of the  
318 billing and collection of such separate and differing tax  
319 rates. Such separate and differing rates shall not exceed  
320 such city's tax rate ceiling.

321 [16.] 17. Any portion of real property that is  
322 available as reserve for strip, surface, or coal mining for  
323 minerals for purposes of excavation for future use or sale  
324 to others that has not been bonded and permitted under  
325 chapter 444 shall be assessed based upon how the real  
326 property is currently being used. Any information provided  
327 to a county assessor, state tax commission, state agency, or  
328 political subdivision responsible for the administration of  
329 tax policies shall, in the performance of its duties, make  
330 available all books, records, and information requested,  
331 except such books, records, and information as are by law  
332 declared confidential in nature, including individually  
333 identifiable information regarding a specific taxpayer or  
334 taxpayer's mine property. For purposes of this subsection,  
335 "mine property" shall mean all real property that is in use  
336 or readily available as a reserve for strip, surface, or  
337 coal mining for minerals for purposes of excavation for  
338 current or future use or sale to others that has been bonded  
339 and permitted under chapter 444.