SECOND REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 649

101ST GENERAL ASSEMBLY

4106S.03C

ADRIANE D. CROUSE, Secretary

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Section A. Section 137.115, RSMo, is repealed and one new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

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

- 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, 2073. 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, 2073.
- 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 possessory interest in real property in subclass (3), where 51 52 such real property is on or lies within the ultimate airport boundary as shown by a federal airport layout plan, as 53 54 defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139 certification and owned by a political 55 56 subdivision, shall be the otherwise applicable true value in 57 money of any such possessory interest in real property, less the total dollar amount of costs paid by a party, other than 58 59 the political subdivision, towards any new construction or improvements on such real property completed after January 60 1, 2008, and which are included in the above-mentioned 61 62 possessory interest, regardless of the year in which such costs were incurred or whether such costs were considered in 63 any prior year. The assessor shall annually assess all real 64 property in the following manner: new assessed values shall 65 be determined as of January first of each odd-numbered year 66 and shall be entered in the assessor's books; those same 67 68 assessed values shall apply in the following even-numbered year, except for new construction and property improvements 69 which shall be valued as though they had been completed as 70 of January first of the preceding odd-numbered year. 71 assessor may call at the office, place of doing business, or 72 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, taxable in the county. On or before January first of each 77 78 even-numbered year, the assessor shall prepare and submit a 79 two-year assessment maintenance plan to the county governing body and the state tax commission for their respective 80 approval or modification. The county governing body shall 81

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 alternative to the plan to the state tax commission by 85 February first, the assessor's plan shall be considered 86 approved by the county governing body. If the state tax 87 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 137.750, the county or the assessor shall petition the 92 administrative hearing commission, by May first, to decide 93 94 all matters in dispute regarding the assessment maintenance plan. Upon agreement of the parties, the matter may be 95 stayed while the parties proceed with mediation or 96 97 arbitration upon terms agreed to by the parties. The final 98 decision of the administrative hearing commission shall be subject to judicial review in the circuit court of the 99 100 county involved. In the event a valuation of subclass (1) real property within any county with a charter form of 101 102 government, or within a city not within a county, is made by 103 a computer, computer-assisted method or a computer program, the burden of proof, supported by clear, convincing and 104 105 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, computer-assisted method or a computer program. 109 evidence shall include, but shall not be limited to, the 110 111 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
- 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
- of taxation at the following percentages of their true value
- 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
- 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
- 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
- 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
- as provided in section 137.155. The list shall then be
- 161 delivered to the assessor.
- [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,
- 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

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- changed after such property is assessed under the provisions of this chapter. If the assessor determines that such property shall be reclassified, he or she shall determine the assessment under this subsection based on the percentage of the tax year that such property was classified in each subclassification.
- [6.] 7. Manufactured homes, as defined in section 182 183 700.010, 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 of assessment of true value for such manufactured homes 186 shall be the same as for residential real property. If the 187 188 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 request shall be granted within thirty days after the 193 194 request is made; however, the removal from the tax books 195 does not remove the tax lien on the manufactured home if it is later identified or found. For purposes of this section, 196 197 a manufactured home located in a manufactured home rental park, rental community or on real estate not owned by the 198 199 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.
 - [7.] 8. Each manufactured home assessed shall be considered a parcel for the purpose of reimbursement pursuant to section 137.750, unless the manufactured home is deemed to be real estate as defined in subsection 7 of

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section 442.015 and assessed as a realty improvement to the existing real estate parcel.

- [8.] 9. Any amount of tax due and owing based on the assessment of a manufactured home shall be included on the personal property tax statement of the manufactured home owner unless the manufactured home is deemed to be real estate as defined in subsection 7 of section 442.015, in which case the amount of tax due and owing on the assessment of the manufactured home as a realty improvement to the existing real estate parcel shall be included on the real 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 such publication. The assessor shall not use a value that 224 225 is greater than the average trade-in value in determining the true value of the motor vehicle without performing a 226 227 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

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improvements, the assessor shall conduct a physical inspection of such property.

- [11.] 12. If a physical inspection is required, pursuant to subsection [10] 11 of this section, the assessor shall notify the property owner of that fact in writing and shall provide the owner clear written notice of the owner's rights relating to the physical inspection. If a physical inspection is required, the property owner may request that an interior inspection be performed during the physical inspection. The owner shall have no less than thirty days to notify the assessor of a request for an interior physical inspection.
- 251 [12.] 13. A physical inspection, as required by subsection [10] 11 of this section, shall include, but not 252 253 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 and lawfully gain external access, and shall include an 256 observation and review of the interior of any buildings or 257 improvements on the property upon the timely request of the 258 owner pursuant to subsection [11] 12 of this section. 259 260 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.
- [13.] 14. A county or city collector may accept credit 263 cards as proper form of payment of outstanding property tax 264 or license due. No county or city collector may charge 265 surcharge for payment by credit card which exceeds the fee 266 or surcharge charged by the credit card bank, processor, or 267 268 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 house bill no. 1150 of the ninety-first general assembly, 277 278 second regular session and section 137.073 as modified by house committee substitute for senate substitute for senate 279 280 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 modified by house committee substitute for senate substitute 288 289 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 of the ninety-first general assembly, second regular 297 session. A governing body of a city not within a county or 298 a county that has opted out under the provisions of this 299 300 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

assembly, second regular session, and section 137.073 as
modified by house committee substitute for senate substitute
for senate committee substitute for senate bill no. 960,
ninety-second general assembly, second regular session, for
the next year of general reassessment, by an affirmative
vote of the governing body prior to December thirty-first of
any year.

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

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

"mine property" shall mean all real property that is in use or readily available as a reserve for strip, surface, or coal mining for minerals for purposes of excavation for current or future use or sale to others that has been bonded and permitted under chapter 444.

