

SECOND REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 2694

101ST GENERAL ASSEMBLY

5566S.04C

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 137.115, RSMo, and to enact in lieu thereof one new section relating to the assessment of personal property, with an emergency clause.

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Section A. Section 137.115, RSMo, is repealed and one new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. The assessor shall annually
11 assess all real property, including any new construction and
12 improvements to real property, and possessory interests in
13 real property at the percent of its true value in money set
14 in subsection 5 of this section. The true value in money of
15 any possessory interest in real property in subclass (3),
16 where such real property is on or lies within the ultimate
17 airport boundary as shown by a federal airport layout plan,

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

18 as defined by 14 CFR 151.5, of a commercial airport having a
19 FAR Part 139 certification and owned by a political
20 subdivision, shall be the otherwise applicable true value in
21 money of any such possessory interest in real property, less
22 the total dollar amount of costs paid by a party, other than
23 the political subdivision, towards any new construction or
24 improvements on such real property completed after January
25 1, 2008, and which are included in the above-mentioned
26 possessory interest, regardless of the year in which such
27 costs were incurred or whether such costs were considered in
28 any prior year. The assessor shall annually assess all real
29 property in the following manner: new assessed values shall
30 be determined as of January first of each odd-numbered year
31 and shall be entered in the assessor's books; those same
32 assessed values shall apply in the following even-numbered
33 year, except for new construction and property improvements
34 which shall be valued as though they had been completed as
35 of January first of the preceding odd-numbered year. The
36 assessor may call at the office, place of doing business, or
37 residence of each person required by this chapter to list
38 property, and require the person to make a correct statement
39 of all taxable tangible personal property owned by the
40 person or under his or her care, charge or management,
41 taxable in the county. On or before January first of each
42 even-numbered year, the assessor shall prepare and submit a
43 two-year assessment maintenance plan to the county governing
44 body and the state tax commission for their respective
45 approval or modification. The county governing body shall
46 approve and forward such plan or its alternative to the plan
47 to the state tax commission by February first. If the
48 county governing body fails to forward the plan or its
49 alternative to the plan to the state tax commission by

50 February first, the assessor's plan shall be considered
51 approved by the county governing body. If the state tax
52 commission fails to approve a plan and if the state tax
53 commission and the assessor and the governing body of the
54 county involved are unable to resolve the differences, in
55 order to receive state cost-share funds outlined in section
56 137.750, the county or the assessor shall petition the
57 administrative hearing commission, by May first, to decide
58 all matters in dispute regarding the assessment maintenance
59 plan. Upon agreement of the parties, the matter may be
60 stayed while the parties proceed with mediation or
61 arbitration upon terms agreed to by the parties. The final
62 decision of the administrative hearing commission shall be
63 subject to judicial review in the circuit court of the
64 county involved. In the event a valuation of subclass (1)
65 real property within any county with a charter form of
66 government, or within a city not within a county, is made by
67 a computer, computer-assisted method or a computer program,
68 the burden of proof, supported by clear, convincing and
69 cogent evidence to sustain such valuation, shall be on the
70 assessor at any hearing or appeal. In any such county,
71 unless the assessor proves otherwise, there shall be a
72 presumption that the assessment was made by a computer,
73 computer-assisted method or a computer program. Such
74 evidence shall include, but shall not be limited to, the
75 following:

76 (1) The findings of the assessor based on an appraisal
77 of the property by generally accepted appraisal techniques;
78 and

79 (2) The purchase prices from sales of at least three
80 comparable properties and the address or location thereof.

81 As used in this subdivision, the word "comparable" means
82 that:

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

85 (b) Such properties are not more than one mile from
86 the site of the disputed property, except where no similar
87 properties exist within one mile of the disputed property,
88 the nearest comparable property shall be used. Such
89 property shall be within five hundred square feet in size of
90 the disputed property, and resemble the disputed property in
91 age, floor plan, number of rooms, and other relevant
92 characteristics.

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

96 3. The following items of personal property shall each
97 constitute separate subclasses of tangible personal property
98 and shall be assessed and valued for the purposes of
99 taxation at the following percentages of their true value in
100 money:

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

103 (2) Livestock, twelve percent;

104 (3) Farm machinery, twelve percent;

105 (4) Motor vehicles which are eligible for registration
106 as and are registered as historic motor vehicles pursuant to
107 section 301.131 and aircraft which are at least twenty-five
108 years old and which are used solely for noncommercial
109 purposes and are operated less than two hundred hours per
110 year or aircraft that are home built from a kit, five
111 percent;

112 (5) Poultry, twelve percent; and

113 (6) Tools and equipment used for pollution control and
114 tools and equipment used in retooling for the purpose of
115 introducing new product lines or used for making
116 improvements to existing products by any company which is
117 located in a state enterprise zone and which is identified
118 by any standard industrial classification number cited in
119 subdivision (7) of section 135.200, twenty-five percent.

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

126 5. (1) All subclasses of real property, as such
127 subclasses are established in Section 4(b) of Article X of
128 the Missouri Constitution and defined in section 137.016,
129 shall be assessed at the following percentages of true value:

130 (a) For real property in subclass (1), nineteen
131 percent;

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

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

136 (2) A taxpayer may apply to the county assessor, or,
137 if not located within a county, then the assessor of such
138 city, for the reclassification of such taxpayer's real
139 property if the use or purpose of such real property is
140 changed after such property is assessed under the provisions
141 of this chapter. If the assessor determines that such
142 property shall be reclassified, he or she shall determine
143 the assessment under this subsection based on the percentage

144 of the tax year that such property was classified in each
145 subclassification.

146 6. Manufactured homes, as defined in section 700.010,
147 which are actually used as dwelling units shall be assessed
148 at the same percentage of true value as residential real
149 property for the purpose of taxation. The percentage of
150 assessment of true value for such manufactured homes shall
151 be the same as for residential real property. If the county
152 collector cannot identify or find the manufactured home when
153 attempting to attach the manufactured home for payment of
154 taxes owed by the manufactured home owner, the county
155 collector may request the county commission to have the
156 manufactured home removed from the tax books, and such
157 request shall be granted within thirty days after the
158 request is made; however, the removal from the tax books
159 does not remove the tax lien on the manufactured home if it
160 is later identified or found. For purposes of this section,
161 a manufactured home located in a manufactured home rental
162 park, rental community or on real estate not owned by the
163 manufactured home owner shall be considered personal
164 property. For purposes of this section, a manufactured home
165 located on real estate owned by the manufactured home owner
166 may be considered real property.

167 7. Each manufactured home assessed shall be considered
168 a parcel for the purpose of reimbursement pursuant to
169 section 137.750, unless the manufactured home is deemed to
170 be real estate as defined in subsection 7 of section 442.015
171 and assessed as a realty improvement to the existing real
172 estate parcel.

173 8. Any amount of tax due and owing based on the
174 assessment of a manufactured home shall be included on the
175 personal property tax statement of the manufactured home

176 owner unless the manufactured home is deemed to be real
177 estate as defined in subsection 7 of section 442.015, in
178 which case the amount of tax due and owing on the assessment
179 of the manufactured home as a realty improvement to the
180 existing real estate parcel shall be included on the real
181 property tax statement of the real estate owner.

182 9. The assessor of each county and each city not
183 within a county shall use the trade-in value published in
184 the **current or two previous years** October issue of the
185 National Automobile Dealers' Association Official Used Car
186 Guide, or its successor publication, as the recommended
187 guide of information for determining the true value of motor
188 vehicles described in such publication. **The assessor may**
189 **assign any value that the assessor deems to be the true**
190 **value, provided that such value is not greater than the**
191 **current October issue of the National Automobile Dealers'**
192 **Association Official Used Car Guide, or its successor**
193 **publication, and such value is not less than the lowest**
194 **value in the current or two previous years of such**
195 **publication.** The assessor shall not use a value that is
196 greater than the average trade-in value in determining the
197 true value of the motor vehicle without performing a
198 physical inspection of the motor vehicle. For vehicles two
199 years old or newer from a vehicle's model year, the assessor
200 may use a value other than average without performing a
201 physical inspection of the motor vehicle. **For the purposes**
202 **of this section,** in the absence of a listing for a
203 particular motor vehicle, **recreational vehicle, or**
204 **agricultural equipment** in such publication, **excluding**
205 **tangible personal property as described in section 137.122,**
206 **section 137.123, chapter 151, chapter 153, and chapter 155,**
207 the assessor [**shall**] **may** use such information or

208 publications which in the assessor's judgment will fairly
209 estimate the true value in money of the motor vehicle,
210 **recreational vehicle, or agricultural equipment in the**
211 **current year or two previous years. If an assessor used a**
212 **publication other than the current October issue of the**
213 **National Automobile Dealers' Association Official Used Car**
214 **Guide, or its successor publication, the assessor may assign**
215 **any value that the assessor deems to be the true value,**
216 **provided that such value is not greater than the current**
217 **publication's value, and such value is not less than the**
218 **lowest value in the current or two previous years of such**
219 **publication.**

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

226 11. If a physical inspection is required, pursuant to
227 subsection 10 of this section, the assessor shall notify the
228 property owner of that fact in writing and shall provide the
229 owner clear written notice of the owner's rights relating to
230 the physical inspection. If a physical inspection is
231 required, the property owner may request that an interior
232 inspection be performed during the physical inspection. The
233 owner shall have no less than thirty days to notify the
234 assessor of a request for an interior physical inspection.

235 12. A physical inspection, as required by subsection
236 10 of this section, shall include, but not be limited to, an
237 on-site personal observation and review of all exterior
238 portions of the land and any buildings and improvements to
239 which the inspector has or may reasonably and lawfully gain

240 external access, and shall include an observation and review
241 of the interior of any buildings or improvements on the
242 property upon the timely request of the owner pursuant to
243 subsection 11 of this section. Mere observation of the
244 property via a drive-by inspection or the like shall not be
245 considered sufficient to constitute a physical inspection as
246 required by this section.

247 13. A county or city collector may accept credit cards
248 as proper form of payment of outstanding property tax or
249 license due. No county or city collector may charge
250 surcharge for payment by credit card which exceeds the fee
251 or surcharge charged by the credit card bank, processor, or
252 issuer for its service. A county or city collector may
253 accept payment by electronic transfers of funds in payment
254 of any tax or license and charge the person making such
255 payment a fee equal to the fee charged the county by the
256 bank, processor, or issuer of such electronic payment.

257 14. Any county or city not within a county in this
258 state may, by an affirmative vote of the governing body of
259 such county, opt out of the provisions of this section and
260 sections 137.073, 138.060, and 138.100 as enacted by house
261 bill no. 1150 of the ninety-first general assembly, second
262 regular session and section 137.073 as modified by house
263 committee substitute for senate substitute for senate
264 committee substitute for senate bill no. 960, ninety-second
265 general assembly, second regular session, for the next year
266 of the general reassessment, prior to January first of any
267 year. No county or city not within a county shall exercise
268 this opt-out provision after implementing the provisions of
269 this section and sections 137.073, 138.060, and 138.100 as
270 enacted by house bill no. 1150 of the ninety-first general
271 assembly, second regular session and section 137.073 as

272 modified by house committee substitute for senate substitute
273 for senate committee substitute for senate bill no. 960,
274 ninety-second general assembly, second regular session, in a
275 year of general reassessment. For the purposes of applying
276 the provisions of this subsection, a political subdivision
277 contained within two or more counties where at least one of
278 such counties has opted out and at least one of such
279 counties has not opted out shall calculate a single tax rate
280 as in effect prior to the enactment of house bill no. 1150
281 of the ninety-first general assembly, second regular
282 session. A governing body of a city not within a county or
283 a county that has opted out under the provisions of this
284 subsection may choose to implement the provisions of this
285 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, for
291 the next year of general reassessment, by an affirmative
292 vote of the governing body prior to December thirty-first of
293 any year.

294 15. The governing body of any city of the third
295 classification with more than twenty-six thousand three
296 hundred but fewer than twenty-six thousand seven hundred
297 inhabitants located in any county that has exercised its
298 authority to opt out under subsection 14 of this section may
299 levy separate and differing tax rates for real and personal
300 property only if such city bills and collects its own
301 property taxes or satisfies the entire cost of the billing
302 and collection of such separate and differing tax rates.

303 Such separate and differing rates shall not exceed such
304 city's tax rate ceiling.

305 16. Any portion of real property that is available as
306 reserve for strip, surface, or coal mining for minerals for
307 purposes of excavation for future use or sale to others that
308 has not been bonded and permitted under chapter 444 shall be
309 assessed based upon how the real property is currently being
310 used. Any information provided to a county assessor, state
311 tax commission, state agency, or political subdivision
312 responsible for the administration of tax policies shall, in
313 the performance of its duties, make available all books,
314 records, and information requested, except such books,
315 records, and information as are by law declared confidential
316 in nature, including individually identifiable information
317 regarding a specific taxpayer or taxpayer's mine property.
318 For purposes of this subsection, "mine property" shall mean
319 all real property that is in use or readily available as a
320 reserve for strip, surface, or coal mining for minerals for
321 purposes of excavation for current or future use or sale to
322 others that has been bonded and permitted under chapter 444.

Section B. Because immediate action is necessary to
2 protect taxpayers from inflated values and rapidly
3 increasing prices, section A of this act is deemed necessary
4 for the immediate preservation of the public health,
5 welfare, peace, and safety, and is hereby declared to be an
6 emergency act within the meaning of the constitution, and
7 section A of this act shall be in full force and effect upon
8 its passage and approval.

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