

FIRST REGULAR SESSION

[PERFECTED]

SENATE SUBSTITUTE FOR

SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 8

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR EIGEL.

0301S.04P

KRISTINA MARTIN, 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Section A. Section 137.115, RSMo, is repealed and one new  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, **for all calendar years**  
8 **ending on or before December 31, 2023**, the assessor shall  
9 annually assess all personal property at thirty-three and  
10 one-third percent of its true value in money as of January  
11 first of each calendar year. **Except as otherwise provided**  
12 **in subsection 3 of this section and section 137.078, for all**  
13 **calendar years beginning on or after January 1, 2024, the**  
14 **assessor shall annually assess all personal property at**

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

15 **thirty-one percent of its true value in money as of January**  
16 **first of each calendar year.** The assessor shall annually  
17 assess all real property, including any new construction and  
18 improvements to real property, and possessory interests in  
19 real property at the percent of its true value in money set  
20 in subsection 5 of this section. The true value in money of  
21 any possessory interest in real property in subclass (3),  
22 where such real property is on or lies within the ultimate  
23 airport boundary as shown by a federal airport layout plan,  
24 as defined by 14 CFR 151.5, of a commercial airport having a  
25 FAR Part 139 certification and owned by a political  
26 subdivision, shall be the otherwise applicable true value in  
27 money of any such possessory interest in real property, less  
28 the total dollar amount of costs paid by a party, other than  
29 the political subdivision, towards any new construction or  
30 improvements on such real property completed after January  
31 1, 2008, and which are included in the above-mentioned  
32 possessory interest, regardless of the year in which such  
33 costs were incurred or whether such costs were considered in  
34 any prior year. The assessor shall annually assess all real  
35 property in the following manner: new assessed values shall  
36 be determined as of January first of each odd-numbered year  
37 and shall be entered in the assessor's books; those same  
38 assessed values shall apply in the following even-numbered  
39 year, except for new construction and property improvements  
40 which shall be valued as though they had been completed as  
41 of January first of the preceding odd-numbered year. The  
42 assessor may call at the office, place of doing business, or  
43 residence of each person required by this chapter to list  
44 property, and require the person to make a correct statement  
45 of all taxable tangible personal property owned by the  
46 person or under his or her care, charge or management,

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

79 computer-assisted method or a computer program. Such  
80 evidence shall include, but shall not be limited to, the  
81 following:

82 (1) The findings of the assessor based on an appraisal  
83 of the property by generally accepted appraisal techniques;  
84 and

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

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

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

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

102 3. The following items of personal property shall each  
103 constitute separate subclasses of tangible personal property  
104 and shall be assessed and valued for the purposes of  
105 taxation at the following percentages of their true value in  
106 money, **except as provided in subsection 9 of this section:**

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

109 (2) Livestock, twelve percent;

110 (3) Farm machinery, twelve percent;

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

118 (5) Poultry, twelve percent; and

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

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

132 5. (1) All subclasses of real property, as such  
133 subclasses are established in Section 4(b) of Article X of  
134 the Missouri Constitution and defined in section 137.016,  
135 shall be assessed at the following percentages of true value:

136 (a) For real property in subclass (1), nineteen  
137 percent;

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

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

142           (2) A taxpayer may apply to the county assessor, or,  
143 if not located within a county, then the assessor of such  
144 city, for the reclassification of such taxpayer's real  
145 property if the use or purpose of such real property is  
146 changed after such property is assessed under the provisions  
147 of this chapter. If the assessor determines that such  
148 property shall be reclassified, he or she shall determine  
149 the assessment under this subsection based on the percentage  
150 of the tax year that such property was classified in each  
151 subclassification.

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

173           7. Each manufactured home assessed shall be considered  
174 a parcel for the purpose of reimbursement pursuant to  
175 section 137.750, unless the manufactured home is deemed to  
176 be real estate as defined in subsection 7 of section 442.015  
177 and assessed as a realty improvement to the existing real  
178 estate parcel.

179           8. Any amount of tax due and owing based on the  
180 assessment of a manufactured home shall be included on the  
181 personal property tax statement of the manufactured home  
182 owner unless the manufactured home is deemed to be real  
183 estate as defined in subsection 7 of section 442.015, in  
184 which case the amount of tax due and owing on the assessment  
185 of the manufactured home as a realty improvement to the  
186 existing real estate parcel shall be included on the real  
187 property tax statement of the real estate owner.

188           9. **To determine the true value in money for motor**  
189 **vehicles and farm machinery**, the assessor of each county and  
190 each city not within a county shall use the [trade-in value  
191 published in the October issue of the National Automobile  
192 Dealers' Association Official Used Car Guide, or its  
193 successor publication, as the recommended guide of  
194 information for determining the true value of motor vehicles  
195 described in such publication. The assessor shall not use a  
196 value that is greater than the average trade-in value in  
197 determining the true value of the motor vehicle without  
198 performing a physical inspection of the motor vehicle. For  
199 vehicles two years old or newer from a vehicle's model year,  
200 the assessor may use a value other than average without  
201 performing a physical inspection of the motor vehicle. In  
202 the absence of a listing for a particular motor vehicle in  
203 such publication, the assessor shall use such information or  
204 publications which in the assessor's judgment will fairly

205 estimate the true value in money of the motor vehicle.]  
 206 manufacturer's suggested retail price for the year of  
 207 manufacture of a motor vehicle or farm machinery, and shall  
 208 apply the following depreciation schedule to such value to  
 209 determine the motor vehicle's or farm machinery's true value  
 210 in money:

211	Years since manufacture	Percent Depreciation
212	Current	15
213	1	25
214	2	35
215	3	45
216	4	55
217	5	65
218	6	75
219	7	85
220	8	95
221	9	Minimum value one dollar

222 The state tax commission shall, with the assistance of the  
 223 Missouri state assessor's association, develop the bid  
 224 specifications to secure the original manufacturer's  
 225 suggested retail price from a nationally recognized service.  
 226 The cost of the guide and programming necessary to allow  
 227 valuation by vehicle identification number in all certified  
 228 mass appraisal software systems used in the state shall be  
 229 paid out of a county's assessment fund established pursuant  
 230 to section 137.750 if the balance in such fund is in excess  
 231 of one hundred thousand dollars. If the balance in such fund  
 232 is less than or equal to one hundred thousand dollars, such  
 233 costs shall be paid by an appropriation secured by the state



234 tax commission from the general assembly. The state tax  
235 commission or the state of Missouri shall be the registered  
236 user of the value guide with rights to allow all assessors  
237 access to the guide and to an online site. Counties shall  
238 be responsible for renewals and annual software costs of  
239 preparing the data in a usable format for approved personal  
240 property software vendors in the state if the balance in  
241 such county's assessment fund is in excess of one hundred  
242 thousand dollars. If the balance in such fund is less than  
243 or equal to one hundred thousand dollars, the state of  
244 Missouri or the state tax commission shall be responsible  
245 for such renewals and annual software costs. If a county  
246 creates its own software, it shall meet the same standards  
247 as the approved vendors. The data shall be available to all  
248 vendors by August fifteenth annually. All vendors shall  
249 have the data available for use in their client counties by  
250 October first prior to the January first assessment date.  
251 When the manufacturer's suggested retail price data is not  
252 available from the approved source or the assessor deems it  
253 not appropriate for the vehicle value he or she is valuing,  
254 the assessor may obtain a manufacturer's suggested retail  
255 price from a source he or she deems reliable and apply the  
256 depreciation schedule set out above.

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

263 11. If a physical inspection is required, pursuant to  
264 subsection 10 of this section, the assessor shall notify the  
265 property owner of that fact in writing and shall provide the

266 owner clear written notice of the owner's rights relating to  
267 the physical inspection. If a physical inspection is  
268 required, the property owner may request that an interior  
269 inspection be performed during the physical inspection. The  
270 owner shall have no less than thirty days to notify the  
271 assessor of a request for an interior physical inspection.

272 12. A physical inspection, as required by subsection  
273 10 of this section, shall include, but not be limited to, an  
274 on-site personal observation and review of all exterior  
275 portions of the land and any buildings and improvements to  
276 which the inspector has or may reasonably and lawfully gain  
277 external access, and shall include an observation and review  
278 of the interior of any buildings or improvements on the  
279 property upon the timely request of the owner pursuant to  
280 subsection 11 of this section. Mere observation of the  
281 property via a drive-by inspection or the like shall not be  
282 considered sufficient to constitute a physical inspection as  
283 required by this section.

284 13. A county or city collector may accept credit cards  
285 as proper form of payment of outstanding property tax or  
286 license due. No county or city collector may charge  
287 surcharge for payment by credit card which exceeds the fee  
288 or surcharge charged by the credit card bank, processor, or  
289 issuer for its service. A county or city collector may  
290 accept payment by electronic transfers of funds in payment  
291 of any tax or license and charge the person making such  
292 payment a fee equal to the fee charged the county by the  
293 bank, processor, or issuer of such electronic payment.

294 14. Any county or city not within a county in this  
295 state may, by an affirmative vote of the governing body of  
296 such county, opt out of the provisions of this section and  
297 sections 137.073, 138.060, and 138.100 as enacted by house

298 bill no. 1150 of the ninety-first general assembly, second  
299 regular session and section 137.073 as modified by house  
300 committee substitute for senate substitute for senate  
301 committee substitute for senate bill no. 960, ninety-second  
302 general assembly, second regular session, for the next year  
303 of the general reassessment, prior to January first of any  
304 year. No county or city not within a county shall exercise  
305 this opt-out provision after implementing the provisions of  
306 this section and sections 137.073, 138.060, and 138.100 as  
307 enacted by house bill no. 1150 of the ninety-first general  
308 assembly, second regular session and section 137.073 as  
309 modified by house committee substitute for senate substitute  
310 for senate committee substitute for senate bill no. 960,  
311 ninety-second general assembly, second regular session, in a  
312 year of general reassessment. For the purposes of applying  
313 the provisions of this subsection, a political subdivision  
314 contained within two or more counties where at least one of  
315 such counties has opted out and at least one of such  
316 counties has not opted out shall calculate a single tax rate  
317 as in effect prior to the enactment of house bill no. 1150  
318 of the ninety-first general assembly, second regular  
319 session. A governing body of a city not within a county or  
320 a county that has opted out under the provisions of this  
321 subsection may choose to implement the provisions of this  
322 section and sections 137.073, 138.060, and 138.100 as  
323 enacted by house bill no. 1150 of the ninety-first general  
324 assembly, second regular session, and section 137.073 as  
325 modified by house committee substitute for senate substitute  
326 for senate committee substitute for senate bill no. 960,  
327 ninety-second general assembly, second regular session, for  
328 the next year of general reassessment, by an affirmative

329 vote of the governing body prior to December thirty-first of  
330 any year.

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

342 16. Any portion of real property that is available as  
343 reserve for strip, surface, or coal mining for minerals for  
344 purposes of excavation for future use or sale to others that  
345 has not been bonded and permitted under chapter 444 shall be  
346 assessed based upon how the real property is currently being  
347 used. Any information provided to a county assessor, state  
348 tax commission, state agency, or political subdivision  
349 responsible for the administration of tax policies shall, in  
350 the performance of its duties, make available all books,  
351 records, and information requested, except such books,  
352 records, and information as are by law declared confidential  
353 in nature, including individually identifiable information  
354 regarding a specific taxpayer or taxpayer's mine property.  
355 For purposes of this subsection, "mine property" shall mean  
356 all real property that is in use or readily available as a  
357 reserve for strip, surface, or coal mining for minerals for  
358 purposes of excavation for current or future use or sale to  
359 others that has been bonded and permitted under chapter 444.

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