

FIRST EXTRAORDINARY SESSION OF THE

FIRST REGULAR SESSION

# SENATE BILL NO. 9

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR NICOLA.

3296S.021

KRISTINA MARTIN, Secretary

## AN ACT

To repeal section 138.390, RSMo, and to enact in lieu thereof two new sections relating to property taxes.

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

Section A. Section 138.390, RSMo, is repealed and two new  
2 sections enacted in lieu thereof, to be known as sections  
3 137.1100 and 138.390, to read as follows:

137.1100. 1. For the purposes of this section, the  
2 following terms shall mean:

3 (1) "County", any county with more than seven hundred  
4 thousand but fewer than eight hundred thousand inhabitants;

5 (2) "Eligible credit amount", the difference between  
6 an eligible taxpayer's real property tax liability on such  
7 taxpayer's homestead for a given tax year, minus the real  
8 property tax liability on such homestead in the eligible  
9 taxpayer's initial credit year, provided that the real  
10 property tax liability on an eligible taxpayer's homestead  
11 as determined in the taxpayer's initial credit year may be  
12 increased by no more than five percent during a reassessment  
13 year;

14 (3) "Eligible taxpayer", a Missouri resident who:

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

15           (a) Is an owner of record of a homestead or has a  
16 legal or equitable interest in such property as evidenced by  
17 a written instrument; and

18           (b) Is liable for the payment of real property taxes  
19 on such homestead;

20           (4) "Homestead", real property actually occupied by an  
21 eligible taxpayer as the primary residence. An eligible  
22 taxpayer shall not claim more than one primary residence;

23           (5) "Initial credit year":

24           (a) In the case of a taxpayer that meets all  
25 requirements of subdivision (2) of this subsection prior to  
26 the year in which a credit is authorized pursuant to  
27 subsection 2 of this section, the year in which such credit  
28 is authorized;

29           (b) For all other taxpayers, the year in which the  
30 taxpayer meets all requirements of subdivision (2) of this  
31 subsection.

32 If in any tax year subsequent to the eligible taxpayer's  
33 initial credit year the eligible taxpayer's real property  
34 tax liability is lower than such liability in the initial  
35 credit year, such tax year shall be considered the eligible  
36 taxpayer's initial credit year for all subsequent tax years.

37           2. (1) Any county authorized to impose a property tax  
38 may grant a property tax credit to eligible taxpayers  
39 residing in such county in an amount equal to the taxpayer's  
40 eligible credit amount, provided that:

41           (a) Such county adopts an ordinance authorizing such  
42 credit; or

43           (b) a. A petition in support of a referendum on such  
44 a credit is signed by at least five percent of the  
45 registered voters of such county voting in the last

gubernatorial election and the petition is delivered to the governing body of the county, which shall subsequently hold a referendum on such credit.

b. The ballot of submission for the question submitted to the voters pursuant to this paragraph shall be in substantially the following form:

Shall the County of \_\_\_\_\_ exempt taxpayers from increases in the property tax liability due on such taxpayers' primary residence?

☐ YES

☐ NO

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the credit shall be in effect.

(2) An ordinance adopted pursuant to paragraph (a) of subdivision (1) of this subsection shall not preclude such ordinance from being amended or superseded by a petition subsequently adopted pursuant to paragraph (b) of subdivision (1) of this subsection.

3. (1) A county granting credit pursuant to this section shall apply such credit when calculating the eligible taxpayer's property tax liability for the tax year. The amount of the credit shall be noted on the statement of tax due sent to the eligible taxpayer by the county collector. The county governing body may adopt reasonable procedures in order to carry out the purposes and intent of this section, provided that the county shall not adopt any procedure that limits the definition or scope of eligible credit amount or eligible taxpayer as defined in this section.

75           (2) If an eligible taxpayer makes new construction and  
76 improvements to such eligible taxpayer's homestead, the real  
77 property tax liability for the taxpayer's initial credit  
78 year shall be increased to reflect the real property tax  
79 liability attributable to such new construction and  
80 improvements.

81           (3) If an eligible taxpayer's homestead is annexed  
82 into a taxing jurisdiction to which such eligible taxpayer  
83 did not owe real property tax in the eligible taxpayer's  
84 initial credit year, then the real property tax liability  
85 for the taxpayer's initial credit year shall be increased to  
86 reflect the real property tax liability owed to the annexing  
87 taxing jurisdiction.

88           4. For the purposes of calculating property tax levies  
89 pursuant to section 137.073, the total amount of credits  
90 authorized by a county pursuant to this section shall be  
91 considered tax revenue, as such term is defined in section  
92 137.073, actually received.

93           5. A county granting a tax credit pursuant to this  
94 section shall notify each political subdivision within such  
95 county of the total credit amount applicable to such  
96 political subdivision by no later than November thirtieth of  
97 each year.

138.390. 1. The state tax commission shall equalize  
2 the valuation of real and tangible personal property among  
3 the several counties in the state in the following manner:  
4 with the abstracts of all the taxable property in the  
5 several counties of the state and the abstracts of the sales  
6 of real estate in such counties as returned by the  
7 respective county clerks and the assessor of the city of St.  
8 Louis, the commission shall classify all real estate situate  
9 in cities, towns, and villages, as town lots, and all other

real estate as farming lands, and shall classify all tangible personal property as follows: banking corporations, railroad corporations, street railroad corporations, all other corporations, horses, mares and geldings, mules, asses and jennets, neat cattle, sheep, swine, goats, domesticated small animals and all other livestock, poultry, power machinery, farm implements, other tangible personal property.

2. (1) The state tax commission shall equalize the valuation of each class or subclass of property thereof among the respective counties of the state in the following manner:

[(1)] (a) It shall add to the valuation of each class, subclass, or portion thereof of the property, real or tangible personal, of each county which it believes to be valued below its real value in money such amount or percent as will increase the same in each case to its true value;

[(2)] (b) It shall deduct from the valuation of each class, subclass, or portion thereof of the property, real or tangible personal, of each county which it believes to be valued above its real value in money such amount or percent as will reduce the same in each case to its true value.

(2) (a) For the purposes of this subsection, the state tax commission shall utilize ratio studies to determine whether a class or subclass of property is valued below or above its true value in money.

(b) A class or subclass of property shall be considered to be valued below its true value in money if:

a. The weighted median ratio is less than eighty percent and the coefficient of dispersion is greater than twenty-five percent; or

41           b. The weighted median ratio is less than eighty  
42 percent and the upper bound of the ninety-five percent  
43 confidence interval for the weighted median is less than  
44 eighty percent.

45           (c) A class or subclass of property shall be  
46 considered to be valued above its true value in money if:

47           a. The weighted median ratio is greater than one  
48 hundred percent and the coefficient of dispersion is greater  
49 than twenty-five percent; or

50           b. The weighted median ratio is greater than one  
51 hundred ten percent and the upper bound of the ninety-five  
52 percent confidence interval for the weighted median is  
53 greater than one hundred percent.

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