

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILL NO. 85**

**103RD GENERAL ASSEMBLY**

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KRISTINA MARTIN, Secretary

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**AN ACT**

To repeal sections 137.076, 137.180, and 137.355, RSMo, and to enact in lieu thereof three new sections relating to the assessment of property.

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

Section A. Sections 137.076, 137.180, and 137.355, RSMo,  
2 are repealed and three new sections enacted in lieu thereof, to  
3 be known as sections 137.076, 137.180, and 137.355, to read as  
4 follows:

137.076. 1. In establishing the value of a parcel of  
2 real property the county assessor shall consider current  
3 market conditions and previous decisions of the county board  
4 of equalization, the state tax commission or a court of  
5 competent jurisdiction that affected the value of such  
6 parcel. For purposes of this section, the term "current  
7 market conditions", shall include the impact upon the  
8 housing market of foreclosures and bank sales.

2. In establishing the value of a parcel of real  
10 property, the county assessor shall use an income-based  
11 approach for assessment of parcels of real property with  
12 federal or state imposed restrictions in regard to rent  
13 limitations, operations requirements, or any other  
14 restrictions imposed upon the property in connection with:

18 (2) Property constructed with the use of the United  
19 States Department of Housing and Urban Development HOME  
20 investment partnerships program;

21 (3) Property constructed with the use of incentives  
22 provided by the United States Department of Agriculture  
23 Rural Development; or

24 (4) Property receiving any other state or federal  
25 subsidies provided with respect to use of the property for  
26 housing purposes.

27 For the purposes of this subsection, the term "income-based  
28 approach" shall include the use of direct capitalization  
29 methodology and computed by dividing the net operating  
30 income of the parcel of property by an appropriate  
31 capitalization rate not to exceed the average of the current  
32 market data available in the county of said parcel of  
33 property. Federal and state tax credits or other subsidies  
34 shall not be used when calculating the capitalization rate.  
35 Upon expiration of a land use restriction agreement, such  
36 parcel of property shall no longer be subject to this  
37 subsection.

38           3. (1) Notwithstanding any provision of law to the  
39 contrary, an assessor shall not use any computer program to  
40 make a final determination of the true value in money of any  
41 real or personal property if such computer program  
42 determines that the true value in money of such property has  
43 increased by more than four percent since the most recent  
44 assessment. In any such case, the assessor shall only  
45 assign a final true value in money of such property after

46 the property has been evaluated in person by personnel who  
47 are knowledgeable and experienced with appraisal practices  
48 in the county in which the property is located.

49 (2) The provisions of this subsection shall not be  
50 construed to exempt any property subject to this subsection  
51 from the provisions of subsection 1 of section 137.115 in  
52 any hearing or appeal.

53 (3) For the purposes of this subsection, the term  
54 "computer program" shall mean any computer, computer-  
55 assisted mass appraisal system, or any other program that  
56 utilizes mathematical techniques or artificial intelligence  
57 to estimate property values.

137.180. 1. Whenever any assessor shall increase the  
2 valuation of any real property he shall forthwith notify the  
3 record owner of such increase, either in person, or by mail  
4 directed to the last known address; every such increase in  
5 assessed valuation made by the assessor shall be subject to  
6 review by the county board of equalization whereat the  
7 landowner shall be entitled to be heard, and the notice to  
8 the landowner shall so state.

9 2. Effective January 1, 2009, for all counties with a  
10 charter form of government, other than any county adopting a  
11 charter form of government after January 1, 2008, whenever  
12 any assessor shall increase the valuation of any real  
13 property, he or she shall forthwith notify the record owner  
14 on or before June fifteenth of such increase and, in a year  
15 of general reassessment, the county shall notify the record  
16 owner of the projected tax liability likely to result from  
17 such an increase, either in person, or by mail directed to  
18 the last known address; every such increase in assessed  
19 valuation made by the assessor shall be subject to review by  
20 the county board of equalization whereat the landowner shall

21 be entitled to be heard, and the notice to the landowner  
22 shall so state. Notice of the projected tax liability from  
23 the county shall accompany the notice of increased valuation  
24 from the assessor.

25       3. For all calendar years prior to the first day of  
26 January of the year following receipt of software necessary  
27 for the implementation of the requirements provided under  
28 subsections 4 and 5 of this section from the state tax  
29 commission, for any county not subject to the provisions of  
30 subsection 2 of this section or subsection 2 of section  
31 137.355, whenever any assessor shall increase the valuation  
32 of any real property, he or she shall forthwith notify the  
33 record owner on or before June fifteenth of the previous  
34 assessed value and such increase either in person, or by  
35 mail directed to the last known address and include in such  
36 notice a statement indicating that the change in assessed  
37 value may impact the record owner's tax liability and  
38 provide all processes and deadlines for appealing  
39 determinations of the assessed value of such property. Such  
40 notice shall be provided in a font and format sufficient to  
41 alert a record owner of the potential impact upon tax  
42 liability and the appellate processes available.

43       4. Effective January first of the year following  
44 receipt of software necessary for the implementation of the  
45 requirements provided under this subsection and subsection 5  
46 of this section from the state tax commission, for all  
47 counties not subject to the provisions of subsection 2 of  
48 this section or subsection 2 of section 137.355, whenever  
49 any assessor shall increase the valuation of any real  
50 property, he or she shall forthwith notify the record owner  
51 on or before June fifteenth of such increase and, in a year  
52 of general reassessment, the county shall notify the record

53 owner of the projected tax liability likely to result from  
54 such an increase, either in person, or by mail directed to  
55 the last known address; every such increase in assessed  
56 valuation made by the assessor shall be subject to review by  
57 the county board of equalization whereat the landowner shall  
58 be entitled to be heard, and the notice to the landowner  
59 shall so state. Notice of the projected tax liability from  
60 the county shall accompany the notice of increased valuation  
61 from the assessor.

62       5. The notice of projected tax liability, required  
63 under subsections 2 and 4 of this section, from the county  
64 shall include:

65       (1) The record owner's name, address, and the parcel  
66 number of the property;

67       (2) A list of all political subdivisions levying a tax  
68 upon the property of the record owner;

69       (3) The projected tax rate for each political  
70 subdivision levying a tax upon the property of the record  
71 owner, and the purpose for each levy of such political  
72 subdivisions;

73       (4) The previous year's tax rates for each individual  
74 tax levy imposed by each political subdivision levying a tax  
75 upon the property of the record owner;

76       (5) The tax rate ceiling for each levy imposed by each  
77 political subdivision levying a tax upon the property of the  
78 record owner;

79       (6) The contact information for each political  
80 subdivision levying a tax upon the property of the record  
81 owner;

82       (7) A statement identifying any projected tax rates  
83 for political subdivisions levying a tax upon the property

84 of the record owner, which were not calculated and provided  
85 by the political subdivision levying the tax; and

86 (8) The total projected property tax liability of the  
87 taxpayer.

88 6. In addition to the requirements provided under  
89 subsections 1, 2, and 5 of this section, effective January  
90 1, 2011, in any county with a charter form of government and  
91 with more than one million inhabitants, whenever any  
92 assessor shall notify a record owner of any change in  
93 assessed value, such assessor shall provide notice that  
94 information regarding the **specific** assessment method and **the**  
95 **basis of the** computation of value for such property is  
96 available on the assessor's website and provide the exact  
97 website address at which such information may be accessed.  
98 Such notification shall provide the assessor's contact  
99 information to enable taxpayers without internet access to  
100 request and receive information regarding the assessment  
101 method and computation of value for such property. **If any**  
102 **third party documents, reports, or other data was relied**  
103 **upon by the assessor in the computation of assessed value,**  
104 **the same shall be disclosed to the record owner on the**  
105 **assessor's website.**

137.355. 1. If an assessor increases the valuation of  
2 any tangible personal property as estimated in the itemized  
3 list furnished to the assessor, and if an assessor increases  
4 the valuation of any real property, he shall forthwith  
5 notify the record owner of the increase either in person or  
6 by mail directed to the last known address, and if the  
7 address of the owner is unknown notice shall be given by  
8 publication in two newspapers published in the county.

9 2. For all calendar years prior to the first day of  
10 January of the year following receipt of software necessary

11 for the implementation of the requirements provided under  
12 subsections 3 and 4 of this section from the state tax  
13 commission, whenever any assessor shall increase the  
14 valuation of any real property, he or she shall forthwith  
15 notify the record owner on or before June fifteenth of the  
16 previous assessed value and such increase either in person,  
17 or by mail directed to the last known address and include on  
18 the face of such notice, in no less than twelve-point font,  
19 the following statement:

20 NOTICE TO TAXPAYER: IF YOUR ASSESSED VALUE  
21 HAS INCREASED, IT MAY INCREASE YOUR REAL  
22 PROPERTY TAXES WHICH ARE DUE DECEMBER THIRTY-  
23 FIRST. IF YOU DO NOT AGREE THAT THE VALUE OF  
24 YOUR PROPERTY HAS INCREASED, YOU MUST CHALLENGE  
25 THE VALUE ON OR BEFORE \_\_\_\_\_ (INSERT DATE BY  
26 WHICH APPEAL MUST BE FILED) BY CONTACTING YOUR  
27 COUNTY ASSESSOR.

28                   3. Effective January first of the year following  
29 receipt of software necessary for the implementation of the  
30 requirements provided under this subsection and subsection 4  
31 of this section from the state tax commission, if an  
32 assessor increases the valuation of any real property, the  
33 assessor, on or before June fifteenth, shall notify the  
34 record owner of the increase and, in a year of general  
35 reassessment, the county shall notify the record owner of  
36 the projected tax liability likely to result from such an  
37 increase either in person or by mail directed to the last  
38 known address, and, if the address of the owner is unknown,  
39 notice shall be given by publication in two newspapers  
40 published in the county. Notice of the projected tax  
41 liability from the county shall accompany the notice of  
42 increased valuation from the assessor.

43       4. The notice of projected tax liability, required  
44 under subsection 3 of this section, from the county shall  
45 include:

46           (1) Record owner's name, address, and the parcel  
47 number of the property;

48           (2) A list of all political subdivisions levying a tax  
49 upon the property of the record owner;

50           (3) The projected tax rate for each political  
51 subdivision levying a tax upon the property of the record  
52 owner, and the purpose for each levy of such political  
53 subdivisions;

54           (4) The previous year's tax rates for each individual  
55 tax levy imposed by each political subdivision levying a tax  
56 upon the property of the record owner;

57           (5) The tax rate ceiling for each levy imposed by each  
58 political subdivision levying a tax upon the property of the  
59 record owner;

60           (6) The contact information for each political  
61 subdivision levying a tax upon the property of the record  
62 owner;

63           (7) A statement identifying any projected tax rates  
64 for political subdivisions levying a tax upon the property  
65 of the record owner, which were not calculated and provided  
66 by the political subdivision levying the tax; and

67           (8) The total projected property tax liability of the  
68 taxpayer.

69       5. **Whenever any assessor shall notify a record owner  
70 of any increase in assessed value as required by subsection  
71 3 of this section, such assessor shall provide notice that  
72 information regarding the specific assessment method and the  
73 basis of the computation of value for such property is  
74 available on the assessor's website, and shall provide the**

75 exact website address at which such information may be  
76 accessed. Such notification shall provide the assessor's  
77 contact information to enable taxpayers without internet  
78 access to request and receive information regarding the  
79 assessment method and computation of value for such  
80 property. If any third-party documents, reports, or other  
81 data was relied upon by the assessor in the computation of  
82 assessed value, the same shall be disclosed to the record  
83 owner on the assessor's website.

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