

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

103RD GENERAL ASSEMBLY

1166S.03C

KRISTINA MARTIN, Secretary

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.

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2 are repealed and three new sections enacted in lieu thereof, to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.

9 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:

(1) The property being eligible for any income tax credits under Section 42 of the Internal Revenue Code of 1986, as amended;

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

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

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

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

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

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

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

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

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

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

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

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

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

(7) A statement identifying any projected tax rates 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

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

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

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

✓