

FIRST REGULAR SESSION

# SENATE BILL NO. 171

## 103RD GENERAL ASSEMBLY

---

INTRODUCED BY SENATOR NICOLA.

---

1374S.01I

KRISTINA MARTIN, Secretary

---

### AN ACT

To repeal section 137.115, RSMo, and to enact in lieu thereof one new section relating to personal property assessments.

---

*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Section A. Section 137.115, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 137.115, to read as follows:

137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's deputies in all counties of this state including the City of St. Louis shall annually make a list of all real and tangible personal property taxable in the assessor's city, county, town or district. Except as otherwise provided in subsection 3 of this section and section 137.078, the assessor shall annually assess all personal property at thirty-three and one-third percent of its true value in money as of January first of each calendar year. **Beginning January 1, 2026, all personal property shall be annually assessed at a percent of its true value in money as of January first of each calendar year as follows:**

(1) A political subdivision shall annually reduce the percentage of true value in money at which personal property is assessed pursuant to this subsection by three and one-third percent. For all tax years beginning on or after January 1, 2036, all personal property shall be annually

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

19      **assessed at three-tenths of a percent of its true value in**  
20      **money as of January first of each calendar year;**

21            **(2) The provisions of subdivision (1) of this**  
22      **subsection shall not be construed to relieve a political**  
23      **subdivision from adjustments to property tax levies as**  
24      **required by section 137.073;**

25            **(3) Notwithstanding the provisions of subdivisions (1)**  
26      **and (2) of this section to the contrary, for the purposes of**  
27      **the tax levied pursuant to Article III, Section 38(b) of the**  
28      **Missouri Constitution, all personal property shall be**  
29      **assessed at thirty-three and one-third percent of its true**  
30      **value in money as of January first of each calendar year.**

31            2. The assessor shall annually assess all real  
32      property, including any new construction and improvements to  
33      real property, and possessory interests in real property at  
34      the percent of its true value in money set in subsection [5]  
35      6 of this section. The true value in money of any  
36      possessory interest in real property in subclass (3), where  
37      such real property is on or lies within the ultimate airport  
38      boundary as shown by a federal airport layout plan, as  
39      defined by 14 CFR 151.5, of a commercial airport having a  
40      FAR Part 139 certification and owned by a political  
41      subdivision, shall be the otherwise applicable true value in  
42      money of any such possessory interest in real property, less  
43      the total dollar amount of costs paid by a party, other than  
44      the political subdivision, towards any new construction or  
45      improvements on such real property completed after January  
46      1, 2008, and which are included in the above-mentioned  
47      possessory interest, regardless of the year in which such  
48      costs were incurred or whether such costs were considered in  
49      any prior year. The assessor shall annually assess all real  
50      property in the following manner: new assessed values shall

51 be determined as of January first of each odd-numbered year  
52 and shall be entered in the assessor's books; those same  
53 assessed values shall apply in the following even-numbered  
54 year, except for new construction and property improvements  
55 which shall be valued as though they had been completed as  
56 of January first of the preceding odd-numbered year. The  
57 assessor may call at the office, place of doing business, or  
58 residence of each person required by this chapter to list  
59 property, and require the person to make a correct statement  
60 of all taxable tangible personal property owned by the  
61 person or under his or her care, charge or management,  
62 taxable in the county. On or before January first of each  
63 even-numbered year, the assessor shall prepare and submit a  
64 two-year assessment maintenance plan to the county governing  
65 body and the state tax commission for their respective  
66 approval or modification. The county governing body shall  
67 approve and forward such plan or its alternative to the plan  
68 to the state tax commission by February first. If the  
69 county governing body fails to forward the plan or its  
70 alternative to the plan to the state tax commission by  
71 February first, the assessor's plan shall be considered  
72 approved by the county governing body. If the state tax  
73 commission fails to approve a plan and if the state tax  
74 commission and the assessor and the governing body of the  
75 county involved are unable to resolve the differences, in  
76 order to receive state cost-share funds outlined in section  
77 137.750, the county or the assessor shall petition the  
78 administrative hearing commission, by May first, to decide  
79 all matters in dispute regarding the assessment maintenance  
80 plan. Upon agreement of the parties, the matter may be  
81 stayed while the parties proceed with mediation or  
82 arbitration upon terms agreed to by the parties. The final

83 decision of the administrative hearing commission shall be  
84 subject to judicial review in the circuit court of the  
85 county involved. In the event a valuation of subclass (1)  
86 real property within any county with a charter form of  
87 government, or within a city not within a county, is made by  
88 a computer, computer-assisted method or a computer program,  
89 the burden of proof, supported by clear, convincing and  
90 cogent evidence to sustain such valuation, shall be on the  
91 assessor at any hearing or appeal. In any such county,  
92 unless the assessor proves otherwise, there shall be a  
93 presumption that the assessment was made by a computer,  
94 computer-assisted method or a computer program. Such  
95 evidence shall include, but shall not be limited to, the  
96 following:

97 (1) The findings of the assessor based on an appraisal  
98 of the property by generally accepted appraisal techniques;  
99 and

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

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

106 (b) Such properties are not more than one mile from  
107 the site of the disputed property, except where no similar  
108 properties exist within one mile of the disputed property,  
109 the nearest comparable property shall be used. Such  
110 property shall be within five hundred square feet in size of  
111 the disputed property, and resemble the disputed property in  
112 age, floor plan, number of rooms, and other relevant  
113 characteristics.

114           **[2.] 3.** Assessors in each county of this state and the  
115        City of St. Louis may send personal property assessment  
116        forms through the mail.

117           **[3.] 4.** The following items of personal property shall  
118        each constitute separate subclasses of tangible personal  
119        property and shall be assessed and valued for the purposes  
120        of taxation at the following percentages of their true value  
121        in money:

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

124           (2) Livestock, twelve percent;

125           (3) Farm machinery, twelve percent;

126           (4) Motor vehicles which are eligible for registration  
127        as and are registered as historic motor vehicles pursuant to  
128        section 301.131 and aircraft which are at least twenty-five  
129        years old and which are used solely for noncommercial  
130        purposes and are operated less than two hundred hours per  
131        year or aircraft that are home built from a kit, five  
132        percent;

133           (5) Poultry, twelve percent; and

134           (6) Tools and equipment used for pollution control and  
135        tools and equipment used in retooling for the purpose of  
136        introducing new product lines or used for making  
137        improvements to existing products by any company which is  
138        located in a state enterprise zone and which is identified  
139        by any standard industrial classification number cited in  
140        subdivision (7) of section 135.200, twenty-five percent.

141           **[4.] 5.** The person listing the property shall enter a  
142        true and correct statement of the property, in a printed  
143        blank prepared for that purpose. The statement, after being  
144        filled out, shall be signed and either affirmed or sworn to

145 as provided in section 137.155. The list shall then be  
146 delivered to the assessor.

147 [5.] 6. (1) All subclasses of real property, as such  
148 subclasses are established in Section 4(b) of Article X of  
149 the Missouri Constitution and defined in section 137.016,  
150 shall be assessed at the following percentages of true value:

151 (a) For real property in subclass (1), nineteen  
152 percent;

153 (b) For real property in subclass (2), twelve percent;  
154 and

155 (c) For real property in subclass (3), thirty-two  
156 percent.

157 (2) A taxpayer may apply to the county assessor, or,  
158 if not located within a county, then the assessor of such  
159 city, for the reclassification of such taxpayer's real  
160 property if the use or purpose of such real property is  
161 changed after such property is assessed under the provisions  
162 of this chapter. If the assessor determines that such  
163 property shall be reclassified, he or she shall determine  
164 the assessment under this subsection based on the percentage  
165 of the tax year that such property was classified in each  
166 subclassification.

167 [6.] 7. Manufactured homes, as defined in section  
168 700.010, which are actually used as dwelling units shall be  
169 assessed at the same percentage of true value as residential  
170 real property for the purpose of taxation. The percentage  
171 of assessment of true value for such manufactured homes  
172 shall be the same as for residential real property. If the  
173 county collector cannot identify or find the manufactured  
174 home when attempting to attach the manufactured home for  
175 payment of taxes owed by the manufactured home owner, the  
176 county collector may request the county commission to have

177 the manufactured home removed from the tax books, and such  
178 request shall be granted within thirty days after the  
179 request is made; however, the removal from the tax books  
180 does not remove the tax lien on the manufactured home if it  
181 is later identified or found. For purposes of this section,  
182 a manufactured home located in a manufactured home rental  
183 park, rental community or on real estate not owned by the  
184 manufactured home owner shall be considered personal  
185 property. For purposes of this section, a manufactured home  
186 located on real estate owned by the manufactured home owner  
187 may be considered real property.

188 [7.] 8. Each manufactured home assessed shall be  
189 considered a parcel for the purpose of reimbursement  
190 pursuant to section 137.750, unless the manufactured home is  
191 deemed to be real estate as defined in subsection 7 of  
192 section 442.015 and assessed as a realty improvement to the  
193 existing real estate parcel.

194 [8.] 9. Any amount of tax due and owing based on the  
195 assessment of a manufactured home shall be included on the  
196 personal property tax statement of the manufactured home  
197 owner unless the manufactured home is deemed to be real  
198 estate as defined in subsection 7 of section 442.015, in  
199 which case the amount of tax due and owing on the assessment  
200 of the manufactured home as a realty improvement to the  
201 existing real estate parcel shall be included on the real  
202 property tax statement of the real estate owner.

203 [9.] 10. The assessor of each county and each city not  
204 within a county shall use the trade-in value published in  
205 the October issue of the National Automobile Dealers'  
206 Association Official Used Car Guide, or its successor  
207 publication, as the recommended guide of information for  
208 determining the true value of motor vehicles described in

209 such publication. The assessor shall not use a value that  
210 is greater than the average trade-in value in determining  
211 the true value of the motor vehicle without performing a  
212 physical inspection of the motor vehicle. For vehicles two  
213 years old or newer from a vehicle's model year, the assessor  
214 may use a value other than average without performing a  
215 physical inspection of the motor vehicle. In the absence of  
216 a listing for a particular motor vehicle in such  
217 publication, the assessor shall use such information or  
218 publications which in the assessor's judgment will fairly  
219 estimate the true value in money of the motor vehicle.

220 **[10.] 11.** Before the assessor may increase the  
221 assessed valuation of any parcel of subclass (1) real  
222 property by more than fifteen percent since the last  
223 assessment, excluding increases due to new construction or  
224 improvements, the assessor shall conduct a physical  
225 inspection of such property.

226 **[11.] 12.** If a physical inspection is required,  
227 pursuant to subsection **[10] 11** of this section, the assessor  
228 shall notify the property owner of that fact in writing and  
229 shall provide the owner clear written notice of the owner's  
230 rights relating to the physical inspection. If a physical  
231 inspection is required, the property owner may request that  
232 an interior inspection be performed during the physical  
233 inspection. The owner shall have no less than thirty days  
234 to notify the assessor of a request for an interior physical  
235 inspection.

236 **[12.] 13.** A physical inspection, as required by  
237 subsection **[10] 11** of this section, shall include, but not  
238 be limited to, an on-site personal observation and review of  
239 all exterior portions of the land and any buildings and  
240 improvements to which the inspector has or may reasonably

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

248 **[13.] 14.** A county or city collector may accept credit  
249 cards as proper form of payment of outstanding property tax  
250 or license due. No county or city collector may charge  
251 surcharge for payment by credit card which exceeds the fee  
252 or surcharge charged by the credit card bank, processor, or  
253 issuer for its service. A county or city collector may  
254 accept payment by electronic transfers of funds in payment  
255 of any tax or license and charge the person making such  
256 payment a fee equal to the fee charged the county by the  
257 bank, processor, or issuer of such electronic payment.

258 **[14.] 15.** Any county or city not within a county in  
259 this state may, by an affirmative vote of the governing body  
260 of such county, opt out of the provisions of this section  
261 and sections 137.073, 138.060, and 138.100 as enacted by  
262 house bill no. 1150 of the ninety-first general assembly,  
263 second regular session and section 137.073 as modified by  
264 house committee substitute for senate substitute for senate  
265 committee substitute for senate bill no. 960, ninety-second  
266 general assembly, second regular session, for the next year  
267 of the general reassessment, prior to January first of any  
268 year. No county or city not within a county shall exercise  
269 this opt-out provision after implementing the provisions of  
270 this section and sections 137.073, 138.060, and 138.100 as  
271 enacted by house bill no. 1150 of the ninety-first general  
272 assembly, second regular session and section 137.073 as

273 modified by house committee substitute for senate substitute  
274 for senate committee substitute for senate bill no. 960,  
275 ninety-second general assembly, second regular session, in a  
276 year of general reassessment. For the purposes of applying  
277 the provisions of this subsection, a political subdivision  
278 contained within two or more counties where at least one of  
279 such counties has opted out and at least one of such  
280 counties has not opted out shall calculate a single tax rate  
281 as in effect prior to the enactment of house bill no. 1150  
282 of the ninety-first general assembly, second regular  
283 session. A governing body of a city not within a county or  
284 a county that has opted out under the provisions of this  
285 subsection may choose to implement the provisions of this  
286 section and sections 137.073, 138.060, and 138.100 as  
287 enacted by house bill no. 1150 of the ninety-first general  
288 assembly, second regular session, and section 137.073 as  
289 modified by house committee substitute for senate substitute  
290 for senate committee substitute for senate bill no. 960,  
291 ninety-second general assembly, second regular session, for  
292 the next year of general reassessment, by an affirmative  
293 vote of the governing body prior to December thirty-first of  
294 any year.

295 [15.] **16.** The governing body of any city of the third  
296 classification with more than twenty-six thousand three  
297 hundred but fewer than twenty-six thousand seven hundred  
298 inhabitants located in any county that has exercised its  
299 authority to opt out under subsection [14] **15** of this  
300 section may levy separate and differing tax rates for real  
301 and personal property only if such city bills and collects  
302 its own property taxes or satisfies the entire cost of the  
303 billing and collection of such separate and differing tax

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

306 **[16.] 17.** Any portion of real property that is  
307 available as reserve for strip, surface, or coal mining for  
308 minerals for purposes of excavation for future use or sale  
309 to others that has not been bonded and permitted under  
310 chapter 444 shall be assessed based upon how the real  
311 property is currently being used. Any information provided  
312 to a county assessor, state tax commission, state agency, or  
313 political subdivision responsible for the administration of  
314 tax policies shall, in the performance of its duties, make  
315 available all books, records, and information requested,  
316 except such books, records, and information as are by law  
317 declared confidential in nature, including individually  
318 identifiable information regarding a specific taxpayer or  
319 taxpayer's mine property. For purposes of this subsection,  
320 "mine property" shall mean all real property that is in use  
321 or readily available as a reserve for strip, surface, or  
322 coal mining for minerals for purposes of excavation for  
323 current or future use or sale to others that has been bonded  
324 and permitted under chapter 444.

✓