

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILLS NOS. 1066 & 1088

103RD GENERAL ASSEMBLY

4335S.02C

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 137.016, RSMo, and to enact in lieu thereof one new section relating to classification of certain residential real property.

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

Section A. Section 137.016, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 137.016,
3 to read as follows:

137.016. 1. As used in Section 4(b) of Article X of
2 the Missouri Constitution, the following terms mean:

3 (1) "Residential property", all real property improved
4 by a structure which is used or intended to be used for
5 residential living by human occupants, vacant land in
6 connection with an airport, land used as a golf course,
7 manufactured home parks, bed and breakfast inns in which the
8 owner resides and uses as a primary residence with six or
9 fewer rooms for rent, and time-share units as defined in
10 section 407.600, except to the extent such units are
11 actually rented and subject to sales tax under subdivision
12 (6) of subsection 1 of section 144.020, but residential
13 property shall not include other similar facilities used
14 primarily for transient housing. **A single family home owned**
15 **by a sole proprietor, individual, partnership, or limited**
16 **liability company that is leased for a term of less than**
17 **thirty consecutive days, in whole or in part, subject to**

18 **sales tax under subdivision (6) of subsection 1 of section**
19 **144.020 shall be classified only as residential property.**

20 For the purposes of this section, "transient housing" means
21 all rooms available for rent or lease for which the receipts
22 from the rent or lease of such rooms are subject to state
23 sales tax pursuant to subdivision (6) of subsection 1 of
24 section 144.020; **the leasing of a single family home, in**
25 **whole or in part, for a term of less than thirty consecutive**
26 **days does not, in itself, constitute "transient housing";**

27 (2) "Agricultural and horticultural property", all
28 real property used for agricultural purposes and devoted
29 primarily to the raising and harvesting of crops; to the
30 feeding, breeding and management of livestock which shall
31 include breeding, showing, and boarding of horses; to
32 dairying, or to any other combination thereof; and buildings
33 and structures customarily associated with farming,
34 agricultural, and horticultural uses. Agricultural and
35 horticultural property shall also include land devoted to
36 and qualifying for payments or other compensation under a
37 soil conservation or agricultural assistance program under
38 an agreement with an agency of the federal government.
39 Agricultural and horticultural property shall further
40 include any reliever airport. Real property classified as
41 forest croplands shall not be agricultural or horticultural
42 property so long as it is classified as forest croplands and
43 shall be taxed in accordance with the laws enacted to
44 implement Section 7 of Article X of the Missouri
45 Constitution. Agricultural and horticultural property shall
46 also include any sawmill or planing mill defined in the U.S.
47 Department of Labor's Standard Industrial Classification
48 (SIC) Manual under Industry Group 242 with the SIC number
49 2421. Agricultural and horticultural property shall also

50 include urban and community gardens. For the purposes of
51 this section, "urban and community gardens" shall include
52 real property cultivated by residents of a neighborhood or
53 community for the purposes of providing agricultural
54 products, as defined in section 262.900, for the use of
55 residents of the neighborhood or community, and shall not
56 include a garden intended for individual or personal use;

57 (3) "Utility, industrial, commercial, railroad and
58 other real property", all real property used directly or
59 indirectly for any commercial, mining, industrial,
60 manufacturing, trade, professional, business, or similar
61 purpose, including all property centrally assessed by the
62 state tax commission but shall not include floating docks,
63 portions of which are separately owned and the remainder of
64 which is designated for common ownership and in which no one
65 person or business entity owns more than five individual
66 units. All other real property not included in the property
67 listed in subclasses (1) and (2) of Section 4(b) of Article
68 X of the Missouri Constitution, as such property is defined
69 in this section, shall be deemed to be included in the term
70 "utility, industrial, commercial, railroad and other real
71 property".

72 2. Pursuant to Article X of the state Constitution,
73 any taxing district may adjust its operating levy to recoup
74 any loss of property tax revenue, except revenues from the
75 surtax imposed pursuant to Article X, Subsection 2 of
76 Section 6 of the Constitution, as the result of changing the
77 classification of structures intended to be used for
78 residential living by human occupants which contain five or
79 more dwelling units if such adjustment of the levy does not
80 exceed the highest tax rate in effect subsequent to the 1980
81 tax year. For purposes of this section, loss in revenue

82 shall include the difference between the revenue that would
83 have been collected on such property under its
84 classification prior to enactment of this section and the
85 amount to be collected under its classification under this
86 section. The county assessor of each county or city not
87 within a county shall provide information to each taxing
88 district within its boundaries regarding the difference in
89 assessed valuation of such property as the result of such
90 change in classification.

91 3. All reclassification of property as the result of
92 changing the classification of structures intended to be
93 used for residential living by human occupants which contain
94 five or more dwelling units shall apply to assessments made
95 after December 31, 1994.

96 4. Where real property is used or held for use for
97 more than one purpose and such uses result in different
98 classifications, the county assessor shall allocate to each
99 classification the percentage of the true value in money of
100 the property devoted to each use; except that, where
101 agricultural and horticultural property, as defined in this
102 section, also contains a dwelling unit or units, the farm
103 dwelling, appurtenant residential-related structures and up
104 to five acres immediately surrounding such farm dwelling
105 shall be residential property, as defined in this section,
106 provided that the portion of property used or held for use
107 as an urban and community garden shall not be residential
108 property. This subsection shall not apply to any reliever
109 airport.

110 5. All real property which is vacant, unused, or held
111 for future use; which is used for a private club, a not-for-
112 profit or other nonexempt lodge, club, business, trade,
113 service organization, or similar entity; or for which a

114 determination as to its classification cannot be made under
115 the definitions set out in subsection 1 of this section,
116 shall be classified according to its immediate most suitable
117 economic use, which use shall be determined after
118 consideration of:

119 (1) Immediate prior use, if any, of such property;

120 (2) Location of such property;

121 (3) Zoning classification of such property; except
122 that, such zoning classification shall not be considered
123 conclusive if, upon consideration of all factors, it is
124 determined that such zoning classification does not reflect
125 the immediate most suitable economic use of the property;

126 (4) Other legal restrictions on the use of such
127 property;

128 (5) Availability of water, electricity, gas, sewers,
129 street lighting, and other public services for such property;

130 (6) Size of such property;

131 (7) Access of such property to public thoroughfares;

132 and

133 (8) Any other factors relevant to a determination of
134 the immediate most suitable economic use of such property.

135 6. All lands classified as forest croplands shall not,
136 for taxation purposes, be classified as subclass (1),
137 subclass (2), or subclass (3) real property, as such classes
138 are prescribed in Section 4(b) of Article X of the Missouri
139 Constitution and defined in this section, but shall be taxed
140 in accordance with the laws enacted to implement Section 7
141 of Article X of the Missouri Constitution.

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